

State of California

FY 2004-05

Annual Action Plan of

State Five-Year Consolidated

Plan 2000 - 2005

April 2004

Prepared by
State of California Department of Housing
and Community Development
submitted to
U.S. Department of Housing and Urban Development (HUD)

**STATE OF CALIFORNIA
FY 2004-2005 Draft Annual Action Plan
as part of the
State Five-Year Consolidated Plan 2000 - 2005**

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Executive Summary

Introduction

The Draft 2004/2005 Annual Plan (Draft Annual Plan) is the fourth of five annual plans that updated the State of California's 2000/2005 Consolidated Plan (Consolidated Plan) which addresses the State's housing and community development needs. The 2004/2005 Draft Annual Plan Update will:

-  Summarize the State's priorities and strategies for the delivery of funds for housing, homelessness, community development, lead abatement and housing for persons with special needs.
-  Provide a platform of actions the State will initiate during the next year to further the goals and objectives of the Consolidated Plan.
-  Explain the State's method for distributing CDBG, HOME, ESG, HOPWA and Lead Hazard Removal Program funds.
-  List resources available to grantees and the state to further the five year strategies.
-  Provide opportunities for public input on the development of the Draft Annual Plan.

The Consolidated Plan is the State's overall vision for community development using HUD and other funds. The 2004/2005 Draft Annual Plan describes how the federal resources allocated to the state will be used during the coming year. HUD's programs will continue to be administered by the following agencies:

-  State Department of Housing and Community Development (HCD) Division of Community Affairs (DCA) will administer the State CDBG, HOME and ESG programs
-  Department of Health Services (DHS) Office of Aids will administer the HOPWA Program
-  Community Services Development (CSD) will administer the Lead-Based Paint Hazard Prevention Program

In addition to the formula grant programs, the following programs are among other federal programs that require a Consolidated Plan that is certified by HUD that this Plan may be used for:

| | | |
|--|-----------------------------|------------------------------------|
| <i>Shelter Housing Program</i> | <i>Supportive Plus Care</i> | <i>Section 8 Mod Rehab of SRO</i> |
| <i>Supportive Housing for the Elderly</i> | <i>Youthbuild</i> | <i>Low-Income Hsg Preservation</i> |
| <i>Supportive Hsg for Persons w/Disabilities</i> | <i>HOPE 6</i> | <i>Public Housing Agencies</i> |

To receive funding from HUD for any of the programs listed above, an applicant must include in its application a certification of consistency with a Consolidated Plan. Several other federal housing programs have Consolidated Plan-related requirements but do not require a certification of consistency with a Consolidated Plan. Governmental applicants for HUD's Lead-Based Paint Grant Program must have an approved Consolidated Plan. The John Heinz Neighborhood Development Program requires compliance with a jurisdiction's Consolidated Plan or community development plan submitted under Section 104(m) of the Housing and Community Development Act of 1974. Section 515 of the Quality Housing and Work Responsibility Act of 1998 requires all Public Housing Agencies to submit to HUD a five-year and an annual plan. The plans must have a certification by the applicable State or local jurisdiction for consistency with the Consolidated Plan.

Public Participation

HCD has the lead role in preparing the Consolidated Plan and its Annual Update for the State of California. HCD solicits input from public, private, and nonprofit organizations, and other State agencies to prepare the Draft Annual Plan in accordance with the Citizen Participation Plan of the Five-Year plan.

HCD consulted with State agencies and other organizations in preparing the Draft Annual Action Plan, including direct solicitation of updated material during February and March 2004. Additionally, the staff that administers the federally funded programs covered by the Consolidated Plan consulted with interested parties in considering policies for their programs. These activities included use of the advisory group's surveys and solicitations for consultation. The Summary of the Consultation Process and Citizen Participation Plan in the 2000-2005 Consolidated Plan provides additional details.

Consultation and citizen participation are both essential components of a statewide planning effort. The Citizen Participation Plan, as identified in the Consolidated Plan, sets the policy for involving citizens in the decision-making, review and comment process for the Annual Action Plan Update. To encourage additional public input in the preparation of the Draft Annual Action Plan, public notices (for copies of the Notice, see page __) containing a description of the Draft Annual Plan Update and related amendments, inviting comments, and announcing public hearings will be mailed directly to local governments and depository libraries, and placed on the HCD's website. Notices will be published in newspapers to notify the public of the Draft Annual Plan development process, timelines and participation options.

The Draft Annual Plan will be available for comment from all interested parties for a 30-day period, April 1 – April 30, 2004, in addition four public hearings in these cities, South Lake Tahoe, Riverside, Hanford and Sacramento will be held to allow the public to respond, comment or ask questions in a public forum. A copy of the notice listing the times and locations of the hearings is included as Attachment __. To provide greater access to individuals with non-English background, we have included the notice in Spanish. If requested, interpreters are available in other languages.

Copies of the Draft Annual Action Plan 2004/2005, and the 2000-2005 Consolidated Plan are available for review at HCD's Housing Resource Center and copies of the Public Notice were mailed to each individual program contactors and interested parties. Both publications are available on HCD's website www.hcd.ca.gov, and will be mailed to all county planning departments, as well as several non-entitlement jurisdiction and public depository libraries as identified in the notice.

24 CFR 91.320(a) Standard Form 424: HCD's application to HUD will be included in the final Annual Plan submittal to HUD.

24 CFR 91.320 (b) Resources: Typical funding resources traditionally used in combination with federal funds (does not include local government resources). This section will be updated in the final version.

24 CFR 91.320 (c) Activities: The Draft Annual Plan will be submitted to HUD in application for funds for the following programs to be administered by the State in FY 2004/2005 in the following approximate amounts:

| | |
|---|------------------|
| Home Investment Partnerships Program (HOME) | \$ 60,297,115 |
| Community Development Block Grant (State CDBG) | \$ 49,921,756 |
| Housing Opportunities for Persons with AIDS (HOPWA) | \$ 3,041,000 |
| Emergency Shelter Grants (ESG) | \$ 6,691,735 |
| Lead-Based Paint Hazard Reduction Program | (cont'd funding) |
| Total | \$ 119,951,606 |

For additional detail regarding fund use and distribution, please refer to each program section.

24 CFR 91.320(d) Geographic Distributions: HCD distributes funds throughout California to non-entitlement jurisdictions. Please refer to page __ for *Geographic Distribution to Eligible Counties* for each program.

Changes occur annually if jurisdictions join or withdraw from a CDBG urban county agreement or HOME consortium within a county. Eligible jurisdictions for the formula grant programs administered by the State are also included in the Appendices of this Draft Annual Plan. The basis for this distribution is summarized below, and in the Appendices. Areas of minority concentration are identified during the application and annual reporting processes.

The State CDBG program eligible jurisdictions are cities and counties that do not receive direct funding from HUD as CDBG entitlement jurisdictions (see ____). Eligible HOME jurisdictions are cities and counties who do not receive a direct entitlement from HUD as a participating jurisdiction, are not members of a HOME consortium, nor a member of a urban county agreement in which HOME funds are distributed through the agreement. HOME also funds nonprofit organizations called Community Housing Development Organizations (CHDOs); these organizations must be certified by HCD as meeting certain conditions as specified in the State HOME Regulations as well as in the HUD final rule in order to apply for State HOME funds. State ESG and HOPWA funds are available for use throughout the State, except in the jurisdictions that receive formula allocations from HUD or which participate with urban counties that receive funds directly from HUD; there is no rural set aside. A list of eligible jurisdictions for the ESG program is included (see page ____). The Department of Health Services' (DHS) Office of AIDS (OA) administers the State's HOPWA Program. While the HOPWA funding is generally made available through a formula allocation to all eligible areas of the State (see page ____ – *Funding for HOPWA Activities* table), the OA retains a small percentage of the allocation of those counties. These funds are set aside and pooled with other available funds.




Sponsors located in the eligible jurisdictions may apply for these funds through a competitive application process. The OA requires that these funds be utilized only for projects in which long-term housing opportunities are being developed for persons living with HIV/AIDS (PLWH) in the eligible jurisdictions.

Low-Income Housing Tax Credits, for both the federal and State credits, are administered competitively on a statewide basis by the State's Treasurer's Office. The Tax Credit Allocation Committee (TCAC) adopted regulations for this program on February 16, 2000.

24 CFR 91.320 (e) Homeless and Other Special Needs Activities: To address emergency and transitional needs of homeless individuals and families, for prevention of homelessness (especially for those under 30 percent of median family income), to support homeless transition to permanent housing and independent living and, to address the special needs of persons and families.




The extent to which the HOME and State CDBG programs will be used to serve the homeless will depend on the content of the applications received. Currently funded McKinney Act programs, originally funded under the Permanent Housing for the Handicapped Homeless (PHH) program, will be transferred to HUD oversight when they receive Supportive Housing Program renewals.

CDBG funds will be made available for the acquisition, construction or rehabilitation of facilities that meet the housing needs of the homeless and other special needs groups. Proposals that address the needs of farmworkers and those with worst-case housing needs will be encouraged:

-  Support the acquisition, construction or rehabilitation of 50 units of housing that meet the needs of the homeless or other special needs groups.
-  Provide case management or other services to 50 persons that are homeless or in other special needs groups.
-  Continue to provide State Objective bonus points under the General Allocation for farmworkers health/housing proposals, and for proposals that address worst-case housing needs (see *CDBG Section* for additional details on the criteria for these bonus points).

An important part of promoting suitable living conditions for those with special needs is the provision of appropriate supportive services. As described in the Supportive Services section of the Consolidated Plan, California has an extensive ongoing system of social services that provides institutional care, client-based community or residential services, and housing-based supportive services. The State will continue its efforts to assist homeless persons by funding the activities of service and housing providers to promote self-sufficiency and provide transitional and permanent housing. Key elements of the 2002-2003 program include continuing the elimination of the 30 percent limit for Essential Services, and extension of homeless prevention expenditure deadline from 6 to 12 months (both subject to HUD approval).

The Health and Welfare Agency is responsible for overall coordination of homeless activities in State government; with the State Department of Social Services operating the California Work Opportunity and Responsibility to Kids (CalWORKs) Program. Chapter 307, Statutes of 1995 (AB 908) enacted new provisions which limit homeless assistance to once-in-a-lifetime with certain exceptions. The regulations implementing the new provisions went into effect on January 1, 1996. Once-in-a-lifetime homeless assistance includes temporary shelter and/or permanent housing. If, in the past, a family had ever received temporary shelter and/or permanent housing payments they are not eligible for homeless assistance again unless the reason for the homelessness is any one of the following:

-  Domestic violence by a spouse, partner, or roommate; or
-  Non-inhabitability of the former residence caused by sudden and unusual circumstances beyond the applicant/recipient's control, which includes, but is not limited to, fire, natural catastrophe, or condemnation; or
-  A medically verified physical and mental illness, excluding alcoholism, drug addiction or psychological stress.

These exceptions are limited to one in 12 months. An exception also applies whenever a State- or federally-declared natural disaster is the direct and primary cause of the homelessness. Payments for temporary shelter are limited to 16 consecutive days. To receive reimbursement for expenses incurred for temporary shelter, the family must provide verification of both shelter expenditures and their search for permanent housing within the 16-day period. For temporary shelter costs to be paid by the homeless assistance program, the family must stay in a commercial establishment, shelter, publicly funded transitional housing, or in a place of business that has a history of renting properties.

A nonrecurring special needs payment for permanent housing shall be granted to a family when they have found permanent housing and have presented a rental agreement signed by the landlord stating that he/she intends to rent to them for no more than 80 percent of the family's maximum assistance payment. The payment for permanent housing may include a security deposit when it is required by a landlord as a condition of assuming occupancy and the actual costs of utility deposits (turn-on-fees) required for gas, electricity, and/or water.

Priorities among the eligible uses of ESG funds are reassessed periodically. Applicants for ESG funds in Program Year 2004/2005 may apply on a competitive basis for emergency shelter and transitional housing or homeless individuals and homeless families, to prevent individuals and families from becoming homeless, and to help homeless persons make the transition to permanent housing and independent living, including funding of supportive services for those who need such services to achieve and maintain independent living. In addition, applicants will be able to apply for a stand-alone homeless prevention program (separate from an emergency shelter).





California has received formula grants under the McKinney Projects for Assistance in Transition from Homelessness (PATH) Program administered by the Department of Mental Health (DMH). Each participating county is required to annually develop a service plan and budget. Eligible uses of the funds include housing services and supportive services in residential settings.

HCD continues to work cooperatively with DMH to develop policy and program guidelines that promote collaborative efforts in the area of supportive housing. HCD staff participates on the Supportive Services Council and the Mental Health Planning Council.

The Integrated Services for Homeless Adults with Severe Mental Illness program, established by AB 34/AB 2034 (Steinberg), began with three pilots in Los Angeles, Sacramento, and Stanislaus counties to provide outreach and comprehensive integrated services to the target population. A State Department of Mental Health (DMH) evaluation of these projects after the first year determined that participants in the projects had the number of required hospitalization days reduced by 60 percent, days of homelessness reduced by 65 percent, and days in jail reduced by 80 percent, and also showed significant cost savings.

Based on this dramatic success, Governor Davis and the Legislature provided \$65 million in funding for 34 local programs statewide with the condition that the programs continue to demonstrate effectiveness. After two years of operation, these programs are serving approximately 4,709 persons and have continued to show significant reductions in the days of homelessness, incarceration, and hospitalization.

Key elements of the Integrated Services for Homeless Adults with Severe Mental Illness program include:

-  Extensive outreach and engagement strategies, including cross training between mental health and law enforcement; housing development with support services (including how to maintain individuals in housing who have both mental health and substance abuse issues); and employment services.
-  State and local partnerships with other agencies responsible for providing resources or services to the target population. The State and local mental health agencies share the philosophy of doing whatever it takes to ensure success of these programs.
-  Flexibility of funding to pay for food, clothing, and housing for homeless mentally ill persons who are engaged through outreach. Immediate housing is provided through the use of purchased motel vouchers, single-room occupancy (SROs), shelters, crisis beds, and detoxification beds. Transitional and permanent housing are available through a variety of means.
-  These strategies are also the underpinning of the California Statewide Supportive Housing Initiative Act (SHIA), created in 1998 and amended in 2000 (SB 1593). Jointly managed by DMH and HCD, SHIA develops affordable housing linked to accessible mental health, substance addiction, employment, and other support services. During the first two years of SHIA, DMH awarded 3-year grants to 31 projects serving approximately 5,100 clients.

Early evaluation data indicate that 96 percent of the clients, most of which were homeless or at risk of homelessness at admission, have remained stable in housing. Income levels have increased for one-third of the clients, while remaining stable for the remaining two-thirds. In addition, the number of clients employed six months after admission is markedly higher than the number employed at admission.

Data suggests that on any given day, there are 361,000 homeless individuals in California – or 1.1 percent of the State’s total population. Of this number two-thirds are single adults, while the other third are families. The report also notes that some 30 percent of California’s homeless – 108,000 – are so-called “chronic” homeless who have been homeless for six months or more. This population tends to be comprised of single adults who face such obstacles as mental illness, substance abuse problems and chronic physical health problems or disabilities that prevent them from working. Those who are called the “transitional” homeless (being homeless for less than six months) are without permanent housing because of a lack of affordable housing, limited education or skills that

allow them to earn wages sufficient to obtain housing, mental illness and substance abuse issues, domestic violence and the lack of family or other support networks, such as runaway youths or youths exiting the foster care system.

For additional information on the Interagency Task Force on Homelessness please refer to the following link for the report: <http://www.hcd.ca.gov/hpd/iatf.html>

24 CFR 91.320(f) Other Activities

Priorities: In accordance with the reasons stated in the "Summary of Housing Strategy" portion of the Five-Year Housing Strategy, all categories of households and all housing assistance categories in Table 2 are considered high priority. HUD defines high priority as: "Activities to address this need will be funded during the five-year period." All of these categories are of high priority in most jurisdictions, and expected to be funded.

24 CFR 91.320 (g) Program Specific Requirements

Each specific program requirement is detailed under the individual program sections.

24 CFR 91.330 Monitoring

General: To ensure that all statutory and regulatory requirements are being met for activities with HUD funds, HCD, OA and CSD use various monitoring standards and procedures. All programs are responsible for ensuring that grantees under the programs are carrying out their projects in accordance with both federal and State statutory and regulatory requirements. These requirements are set forth in the grant contract executed between the State and the grantee.

Two basic types of monitoring are conducted: off-site, or "desk" monitoring and on-site monitoring. Program staff regularly reviews each project to verify that it is proceeding in the manner set forth in the Grant Agreement in accordance with applicable laws and regulations. For details in program monitoring systems please refer to each individual program section for their monitoring plans.

Table 1: Timing of Allocation of Funds – Application Process

| NOFA | Workshops | Application Deadline(s) | Awards | Contracts |
|--|------------------------|----------------------------------|------------------------------------|-------------------------------|
| CDBG Program | | | | |
| <i>General/NA/Colonias</i> | | | | |
| October 18, 2003 | Nov 6 – Dec 6, 2003 | February 14, 2004 | May 1, 2004 | July 1, 2004 |
| <i>ED Enterprise Fund</i> | | | | |
| July 1, 2004 | July 2 – July 24, 2004 | September 9, 2004 | November 23, 2004 | January 31, 2005 |
| <i>ED Over-the-Counter</i> | | | | |
| July 1, 2004 | July 2 – July 24, 2004 | Continuous | Continuous | Continuous |
| <i>Planning and Technical Assistance</i> | | | | |
| July 1, 2004 | July 2 – July 24, 2004 | June 30, 2004 & October 31, 2004 | August 8, 2004 & December 12, 2004 | Nov 14, 2004 & March 13, 2004 |
| ESG | | | | |
| March 22, 2004 | April 6 & 8, 2004 | May 18, 2004 | August 30, 2004 | September 30, 2004 |
| HOME | | | | |
| Nov. 15, 2004 | Dec. 1-10, 2004 | January 16, 2005 | April 1, 2005 | July 15, 2005 |
| HOPWA Formula | | | | |
| March 2004 | None | April 30, 2004 | May 31, 2004 | July 1, 2004 |
| HOPWA Development | | | | |
| July 2004 | To be announced | Over-the-Counter | Continuous | Continuous |

Other Actions

Table 2: Priority Needs Summary Table – 2004-2005

| Priority Housing Needs (Households) | | Priority Need Level High, Medium, Low | | Goals |
|-------------------------------------|---------------|--|------|-------|
| Renter | Small Related | 0-30% | High | 64 |
| | | 31-50% | “ | 94 |
| | | 51-80% | “ | 88 |
| | Large Related | 0-30% | “ | 65 |
| | | 31-50% | “ | 95 |
| | | 51-80% | “ | 89 |
| | Elderly | 0-30% | “ | 90 |
| | | 31-50% | “ | 132 |
| | | 51-80% | “ | 124 |
| | All Other | 0-30% | “ | 18 |
| | | 31-50% | “ | 274 |
| | | 51-80% | “ | 25 |
| Owner | | 0-30% | “ | 197 |
| | | 31-50% | “ | 502 |
| | | 51-80% | “ | 751 |
| Special Populations | | 0-80% | “ | 47 |
| Total Goals | | | | 2,360 |
| Total 215 Goals | | | | 1,227 |

Chapter 671, Statutes of 2001

(SB 520)

All localities are required, under State housing element law, to prepare and adopt a housing element as a part of their general plan. The housing element must include, among other things, identification and analysis of existing and projected housing needs, an identification of resources and constraints to address these needs and, goals, policies and scheduled programs for the maintenance improvement and development of housing for all economic segments of the community. For your information, Chapter 671, Statutes of 2001 (SB 520-Chesbro) effective on January 1, 2002, amended housing element law and Government Code Section 65008. As a result, State housing element law now requires localities to include the following in the preparation and adoption of a housing element:

1. As part of a governmental constraints analysis, an element must analyze potential and actual constraints upon the development, maintenance and improvement of housing for *persons with disabilities and demonstrate local efforts to remove governmental constraints that hinder the locality from meeting the need for housing for persons with disabilities (Section 65583(a)(4))*.
2. As part of the required constraints program, the element must include programs that *remove constraints or provide reasonable accommodations for housing designed for persons with disabilities (Section 65583(c)(3))*.

Fair Housing

Public Housing Resident Initiatives: HCD does not own or operate public housing; public housing is administered directly through local Public Housing Agencies (PHA). For those jurisdictions that do not have a PHA, HCD has the Housing Assistance Program (HAP) that administers the Section 8 program in those counties. HCD acts as the Public Housing Agency (PHA) for twelve rural counties that do not have a housing agency. The counties are as listed:

| | | | | | |
|--------|--------|-----------|----------|---------|----------|
| Alpine | Amador | Calaveras | Colusa | Glenn | Inyo |
| Modoc | Mono | Sierra | Siskiyou | Trinity | Tuolumne |

Section 515 of the Quality Housing and Work Responsibility Act of 1998 requires all Public Housing Agencies to submit to HUD a five-year plan and an annual Action Plan. The plans must have a certification by the applicable State or local jurisdiction for consistency with the appropriate Consolidated Plan. The Five-year Plan addresses long-range goals and objectives for achieving the mission of providing affordable/accessible housing to extremely low- and very low-income families. The Annual Plan provides details regarding immediate operations, program participants, programs and services, and strategies for handling operation concerns, participants' concerns and needs, programs and services for the upcoming fiscal year.

The actions to overcome impediments to fair housing, as identified in the State's 1996 report, *Furthering Fair Housing*:

Impediment 1: Continued differential treatment of minorities, families with children, and handicapped persons when seeking housing and loans for home purchase.

Impediment 2: Lack of affordable housing.

Impediment 3: Difficulty obtaining homeowners' insurance for residents of inner cities, regions with earthquake faults, and regions with fire hazards, and remote rural areas.

Impediment 4: Local regulatory barriers including zoning and NIMBYism hinder development of affordable housing, multifamily housing, homeless shelters, and residential care facilities.

The following is the schedule of actions the State will undertake to address impediments to fair housing. Each action step includes the party responsible for enforcement, a timeframe, and the impediment addressed.

As the lead agency for administration of HUD's formula block grants, HCD's major role is coordination and outreach, and oversight of fair housing activities by local governments and grantees. The Department of Fair Employment and Housing (DFEH) is the State's lead agency on fair housing outreach and enforcement across agencies and governments.

The DHS' Office of AIDS, in administering the HOPWA program, facilitates adherence to federal fair housing requirements. Technical assistance, through the provision of training and written manuals, is provided to community-based organizations and county health departments that administer the HOPWA funds locally. Additionally, the Office of AIDS monitors for compliance with fair housing requirements.

The HOPWA Program and other HIV/AIDS-specific medical and supportive service programs, were initially an outgrowth of rampant discrimination against people with HIV/AIDS, and are viewed as programs that help to remove the impediment of discrimination. A person's rights under federal fair housing laws are provided locally through the HOPWA Program under the Housing Information category, which includes housing counseling and referral services, as well as fair housing counseling for eligible persons who may encounter discrimination.

Table #3: Fair Housing Impediments

| | |
|--|--|
| Impediment #1 <i>Enforce State and federal fair housing laws.</i> | |
| Responsible Party: Cal. Dept. of Fair Employment and Housing | Time Frame: Ongoing |
| <i>Publish and disseminate fair housing educational materials.</i> HCD will provide printed information at all participatory conferences and will provide, in coordination with DFEH, education on fair housing issues at all HCD sponsored training workshops. | |
| Responsible Party: Cal. Dept. of Fair Employment and Housing & HCD | Time Frame: Ongoing |
| Impediment #1, 2 & 4 <i>Monitor, promote and increase technical assistance to local jurisdictions participating in federally funded programs.</i> | |
| Responsible Party: HCD's CDBG, HOME, and ESG programs | Time Frame: Ongoing - during the annual cycle of each programs grant management workshops |
| Impediment #1 – 4 <i>Increase cooperation among State fair housing enforcement agencies.</i> Convene an annual meeting of State agencies to discuss opportunities for increased cooperation and coordination. | |
| Responsible Party: HCD | Time Frame: October 2004 |
| Impediment #1 – 4 <i>Encourage city and county planning departments to implement land use policies which encourage fair housing and the construction of affordable/accessible housing through the administration of State housing element law.</i> Continue administering State housing element law. | |
| Responsible Party: HCD | Time Frame: Ongoing Administration |
| The 02/03 Program Year involves jurisdictions within the following regions: Butte County Association of Governments, Central Sierra Planning Council and Economic Development District, HCAG, Lake County-City Areawide Planning Commission, KCAG, MCAG, MCOG, SAGE, San Benito County Council of Governments, San Luis Obispo Area Council of Governments, Santa Barbara Area Planning Council, Sierra Planning Organization and Economic Development District, SJCCOG, STANCOG, TCAG, TRPA, Tri-County Area Planning Council and the following counties: Del Norte, Inyo, Lassen, Modoc, Mono, Plumas, Shasta and Trinity. | |
| Impediment #1 <i>Provide technical assistance on State planning laws promoting siting of and zoning for a variety of housing types including multifamily housing, emergency shelters, residential care facilities, and accessible housing.</i> Outreach through housing element workshops and technical assistance to cities and counties. | |
| Responsible Party: HCD | Time Frame: Ongoing |
| Impediment #1 <i>Promote the development of affordable accessible housing through the administration of Title 24. Promote accessibility, universal design, and home modification through the use of CDBG & HOME funds for existing single-unit housing.</i> | |
| Responsible Party: HCD; Division of the State Architect; and Cal. Dept of Rehabilitation | Time Frame: Ongoing |
| HCD's Division of Codes and Standards is evaluating Title 24, Chapter 11A (construction codes) regarding accessibility for conformance with changes in the Fair Housing Amendments Act and the ADA. Current California regulations are, for the most part, stricter than the federal requirements. However, if the review shows deficiencies, the Department will advance amendments to its regulations to ensure full compliance with federal law and guidelines. | |
| As part of this objective, the HOME Program has added a new requirement to be met in order to set up a rental project. Projects will not be permitted to be set up until the program has received a certification from the project architect that the plans and specifications meet the requirements for accessibility by disabled persons in compliance with Section 504 of the Rehabilitation Act of 1973. In addition to this set-up | |

Table #3: Fair Housing Impediments (cont'd)

| | |
|--|---|
| <p>requirement, the final drawdown will be held back until HOME contractors submit another certification from the project architect that the as-built project conforms with the plans and specifications, and that is the requirements of Section 504 have been met.</p> <p>The CDBG Program has added a new requirement to be met in order to draw funds for any multifamily or single-family housing or community facility new construction project, or any multifamily housing or community facility substantial rehabilitation project. This requirement will consist of a contract special condition requiring a certification from the project architect that the plans and specifications meet the requirements for accessibility by disabled persons in compliance with Section 504 of the Rehabilitation Act of 1973.</p> | |
| <p>Impediment #1-4 <i>Collect and disseminate information on resources to combat NIMBY; regulatory barriers and other land use impediments to fair housing.</i></p> | |
| Responsible Party: HCD | Time Frame: Ongoing |
| <p>Impediment #1-4 <i>The CDBG program will consider adding fair housing activities as one of the State objectives qualifying applications for bonus points. This activity was not incorporated into FY 2004-2005 applications, but may be incorporated in the future.</i></p> | |
| Responsible Party: HCD | Time Frame: Future Consideration |
| <p>Impediment #1 <i>Require all Real Estate agents renewing their licenses to complete a three-hour course in fair housing.</i></p> | |
| Responsible Party: Cal. Dept. of Real Estate | Time Frame: Ongoing |
| <p>Impediment #2 <i>Continue to promote affordable/accessible housing development.</i></p> | |
| Responsible Party: HCD, California Housing Finance Agency, Tax Credit Allocation Committee | Time Frame: Ongoing |
| <p>Recently enacted legislation requires all housing elements to include an analysis of potential and actual governmental constraints on the development of housing and programs for persons with disabilities and demonstrate the jurisdiction's efforts to remove governmental constraints on housing for persons with disabilities.</p> | |
| <p>Impediment #1 – 4 <i>Encourage city and county planning departments to implement land use policies which encourage fair housing and the construction of affordable/accessible housing through the administration of State housing element law. Continue administering State housing element law.</i></p> | |
| Responsible Party: HCD | Time Frame: Ongoing Administration |
| <p>The 04/05 Program Year involves jurisdictions within the following regions: Butte County Association of Governments, Central Sierra Planning Council and Economic Development District, HCAG, Lake County-City Areawide Planning Commission, KCAG, MCAG, MCOG, SAGE, San Benito County Council of Governments, San Luis Obispo Area Council of Governments, Santa Barbara Area Planning Council, Sierra Planning Organization and Economic Development District, SJCCOG, STANCOG, TCAG, TRPA, Tri-County Area Planning Council and the following counties: Del Norte, Inyo, Lassen, Modoc, Mono, Plumas, Shasta and Trinity.</p> | |
| <p>Impediment #1 <i>Provide technical assistance on State planning laws promoting siting of and zoning for a variety of housing types including multifamily housing, emergency shelters, residential care facilities, and accessible housing. Outreach through housing element workshops and technical assistance to cities and counties.</i></p> | |
| Responsible Party: HCD | Time Frame: Ongoing |

Table #3: Fair Housing Impediments (cont'd)

| | |
|---|------------------------------|
| Impediment #1 <i>Require Local Jurisdictions and CHDOs who are funded under the HOME program to adopt affirmative marketing procedures.</i> | |
| Responsible Party: HCD | Time Frame: July 2004 |
| Impediment #2 <i>Through partnerships with Community-Based Organizations, continue to serve households that are typically underserved.</i> | |
| Responsible Party: CSD | Time Frame: Ongoing |

Summary of Coordination

HCD as administrator of the State CDBG, HOME, and ESG programs, DHS as administrator of the HOPWA Program, and CSD as administrator of the lead-based paint grants, coordinate with other program providers, local, State, and federal governmental entities, non- and for-profit entities, professional organizations, interest groups, and other parties interested in the implementation of federal programs. Further, the State sponsors annual workshops at regional locations regarding program application procedures and grant management requirements for the various federal programs.

HCD's DCA has taken the lead in facilitating several coordinating efforts among its programs that include HOME and CDBG. First, HOME and CDBG staff met to discuss cross-cutting issues such as implementation of common federal overlay requirements. Discussions were focused upon standardization, where appropriate, of procedures.

As a result of the Proposition 46 infusion of State housing bond monies into HCD, HOME has met with the other major rental housing programs to coordinate underwriting policies and procedures. Similarly, State funded homeownership programs also met with HOME to coordinate single-family underwriting criteria. These underwriting criteria will be implemented in a uniform regulation package that DCA is pursuing. In addition, a common application is being explored. It is anticipated that this will result in some common information being shared between funding programs.

HCD has received approval to contract for building a new software system that will be used by HOME, CDBG and ESG. The new system will replace the current software, City Software. Its expanded capabilities include real-time gathering of reporting information, monitoring information and automatically producing management reports for staff use.

DHS' Office of AIDS is the State's clearinghouse agency for statewide programs and activities that pertain to HIV/AIDS. The OA emphasizes the integration of representatives of HIV/AIDS service agencies, other State departments (such as Corrections, Housing, Rehabilitation, Mental Health, Developmental Services and Alcohol and Drug Programs), local health departments, the UC System University-wide AIDS Research Program, and others in information gathering, research and decision-making processes. The annual Interagency AIDS Coordinating Council includes numerous State departments in the review of AIDS service delivery and prevention/education efforts.

Additionally, the OA requires that local planning groups be formed to include representatives of HIV/AIDS care and prevention service agencies, health department representatives, local affordable housing and homeless agencies, representatives of the post incarcerated populations, and agencies that address the needs of the mentally ill, substance abusing or other disabled population. These planning groups are charged with development of local HIV service plans that address the need for linking care, treatment and prevention service agencies and clinics providing services to the same population.

The OA also participates on the Supportive Housing Board of the Department of Mental Health in support of their Supportive Housing Initiative.

HCD has been meeting and will continue to meet on a quarterly basis with the DSS Work Services Branch on common issues. Regular collaboration allows both departments to aggressively seek opportunities to coordinate efforts in meeting welfare reform objectives, including providing housing as a supportive service to eligible CalWORKs recipients. Additionally, these efforts promote program commonalities, maximize resources, integrate eligibility requirements where possible, share “best practices” and promote collaboration efforts at the local level. The two departments have been discussing impediments to welfare recipients transitioning to work, including the lack of affordable/accessible housing. For example, DSS provided input to the CDBG State Objectives to ensure proposed activities will include collaboration with county welfare directors.

CDBG staff participates in the California Financing Coordinating Committee (CFCC), which was formed to enhance coordination among the agencies that fund local water and wastewater projects. The USDA Rural Development, the USDA Rural Utilities, State Water Resources Control Board (SWRCB), Department of Water Resources, Department of Health Services, Trade, Technology and Commerce Agency’s Infrastructure and Economic Development Bank, and HCD have entered into a joint Memorandum of Understanding to promote cooperation and reduce administrative demands for funding recipients. The CFCC presents “Funding Fair” workshops each year throughout the State in order to provide direct technical assistance to communities seeking funding for their water and sewer infrastructure needs.

CDBG Economic Development Allocation staff sits on the State Trade, Technology and Commerce Agency’s Sudden and Severe Economic Dislocation and Old Growth (timber harvest restrictions) loan committees. These funds target areas of the State that have lost employment opportunities due to plant closures. In addition, ED staffs are members of the Agency’s Mill Reuse Project Team, which is facilitating the cleanup and redevelopment of abandoned wood products mill sites. In many cases, HCD and the Agency are funding partners in projects that further their respective programs’ objectives.

HCD staff will continue to participate in meetings with professional associations, including the Council of State Community Development Agencies, the California Rural Housing Coalition, the National Association of Housing and Redevelopment Officials, the Association of California Redevelopment Agencies, the California Association for Micro-enterprise Opportunity, the California Association for Local Economic

Development and a host of other organizations that have an interest in the State’s implementation of HUD programs. In addition, the State has an ongoing dialogue with a variety of private and public lenders about how to resolve coordination problems with projects that propose to use multiple funding sources consistent with leverage and match provisions of the State-operated federal programs.

HCD continues to meet annually with TCAC and CalHFA to discuss issues common to the respective programs. Coordination between the three agencies is also accomplished through overlapping board memberships. The Director of HCD serves on the board of CalHFA; and the HCD Director and the Executive Director of Cal-HFA serve as members of TCAC.

HCD collaborates with the SWRCB, which administers the State Revolving Fund (SRF) and other subvention programs providing grants and low-interest loans (see CFCC, above). These loans or grants are used to aid small communities (less than 5,000 residents) in planning, design, and construction of wastewater treatment facilities and wastewater recycling projects. They also are used to correct non-point source and storm water pollution problems, and provide estuary enhancement programs and projects.

Coordination of supportive services for the non-homeless is discussed at length in the State Profile (see the *Supportive Housing Section* of the Consolidated Plan).

HCD staff is members of the Supportive Services Council and the Mental Health Planning Council with the Department of Mental Health. The HCD Director is a member of the Long Term Care Council to coordinate long-term care in California. This Council is chaired by the Health and Human Services Agency. The Council includes the Departments of Developmental Services, Health Services, Rehabilitation, Mental Health, Social Services, Aging, Veteran Affairs and HCD.

The Department of Developmental Services (DDS) established an Affordable Housing Work Group, which has become a freestanding housing advocacy organization entitled, *The California Affordable Housing Coalition for Persons with Developmental Disabilities* (Coalition). The Coalition's primary purpose is to support local, State, and national legislation and policies that promote the development of affordable housing for consumers receiving services from DDS. Staff members from DDS attend meetings of the Coalition and offer support when appropriate. In addition, 23 non-profit Housing Coalitions have been established throughout the State. These Housing Coalitions serve to acquire actual housing for persons with developmental disabilities by working with developers to create long-term, rental set aside units and by assisting individuals in purchasing their own homes. DDS collaborates with HCD, via an Interagency Agreement, to monitor and provides technical assistance to 14 DDS-Rental housing projects. DDS maintains a housing web page at www.dds.ca.gov.

**Community Development
Block Grant (CDBG)
2004/2005 Annual Plan**

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Program Action Plans

Resources/Availability of Funds

The State of California CDBG Program is anticipated to receive from HUD \$49,921,756 for Program Year 2004/05. The CDBG Program intends to make available the allocated funds to eligible non-entitlement jurisdictions during the 2004/05 Program Year along with any disencumbered funds that become available during the year.

Set Asides

The following is a breakdown of the anticipated funding levels for the set asides according to federally- and State-mandated levels:

- 1. General Allocation** **\$26,864,319**
Approximately 54 percent of the total funds were made available for the General Allocation competitive NOFA involving the funding categories of various Housing activities, Public Works, Community Facilities, and Public Services;
- 2. Planning and Technical Assistance (PTA).** Approximately 10 percent of the General Allocation and 10 percent of the Economic Development Allocation will be made available under a first-come, first-served basis NOFA with two application filing periods for Planning and Technical Assistance activities related to CDBG-eligible activities, as follows:

General PTA Allocation **\$ 2,984,924**

Economic Development PTA Allocation **\$ 1,497,653**

- 3. Economic Development Allocations.** Economic Development (ED) is allocated 30 percent of the total HUD grant (\$14,976,527), and consists of the ED PTA Allocation, above, plus the ED Enterprise Fund Component and the ED Over-the-Counter Component, as follows:

ED Enterprise Fund Component **\$ 8,761,268**

(Anticipate 65% of the ED, after PTA, balance)

The "California Community Economic Enterprise Fund" (ED Enterprise Fund Component) competitive NOFA provides grants to eligible jurisdictions for business assistance loans, infrastructure development in support of business development, and microenterprise activities.

ED Over-the-Counter Component **\$ 4,717,606**

(Anticipate 35% of ED, after PTA, balance)

The open, continuous, NOFA for the "ED Over-the-Counter" (OTC) Component provides grants to local jurisdictions for larger business loans and infrastructure in support of business development.

- 4. Colonias Allocation (5%)** **\$ 2,496,088**
A competitive NOFA was issued for the Colonias Allocation to fund the same types of activities as under the General Allocation, plus planning, for use in colonias areas, as defined.
- 5. Native American Allocation (1.25%)** **\$ 624,022**
A competitive NOFA was issued for the Native American Allocation to fund the same types of activities as under the General Allocation, for use to benefit non-federally recognized Native American communities.

6. General Administration and Technical Assistance

The remainder of the year's funding, based on HUD-allowed amounts, will be used by the State CDBG Program for administer the allocations and provide Technical Assistance to eligible jurisdictions and grantees, as follows:

| | |
|--|---------------------|
| State Administration | \$ 1,476,658 |
| (2% + \$100,000 + 2% of PY 2003-04 program income) | |
| Technical Assistance (1%) | \$ 499,218 |

Match Requirements

Only the Planning and Technical Assistance (PTA) Allocation has a match requirement. CDBG's State Statute (Health and Safety Code, Section 50833) requires each applicant to contribute a cash match of up to 25 percent of the funds requested. The basis of the cash match is local sales and use tax revenues for each eligible city and county. CDBG obtains revenue data from the State Controller's Office and computes the data on a per capita basis to determine the cash match percentage for each applicant. The cash match percentage requirement for each eligible city and county is shown in the PTA NOFA and Application. Local commitments of cash match must be fully expended before the jurisdiction spends any of the CDBG grant funds.

Geographic Allocations/Eligible Applicants

The State CDBG Program does not have a requirement for geographic allocations. However, each year awards made under each allocation are analyzed for indications of any geographic bias.

Eligible applicants for the State CDBG Program are generally: Cities with fewer than 50,000 residents; or Counties with an unincorporated area of fewer than 200,000 residents. However, if a city has entered into a three-year urban county cooperation agreement, it cannot participate in the State CDBG program unless that agreement expires, or, if a city has been declared the central city of a Metropolitan Statistical Area (an "Entitlement City"), it is entitled to receive CDBG funds directly from HUD and cannot participate in the State CDBG Program.

Please refer to page __ for a list of eligible applicants by program.

Eligible Activities for Funding: Descriptions & Definitions

- 1. General Allocation.** This allocation funds local programs and projects. Eligible activities encompass most non-economic development activities as defined in Section 105 of the federal Housing and Community Development Act of 1974, including:
 - a. Single- and multi-family Housing Rehabilitation, Acquisition, or New Construction
 - b. Community Facilities (facilities offering services to people)
 - c. Public Services (services to people), and
 - d. Public Works (infrastructure).
- 2. Colonias Allocation.** This allocation funds local programs and projects offering the same activities as the General Allocation, above, plus planning activities. Section 916 of the National Affordable Housing Act of 1990 authorizes the Department to set aside a portion of the annual CDBG allocation to the State of California to provide direct community development benefits to Colonias located in the non-metropolitan border region. All cities and counties eligible under the State CDBG Program and which contain colonias as defined by the National Affordable Housing Act of 1990 are eligible applicants for these funds. For the purposes of this legislation, a "colonia" is any identifiable community that:

- a. is located within 150 miles of the border between the United States and Mexico, except within any standard metropolitan statistical area that has a population exceeding 1,000,000; and
- b. is designated by the State or county in which it is located as colonia; and
- c. is determined to be a colonia on the basis of objective criteria, including the lack of potable water supply, lack of adequate sewage systems, and lack of decent, safe, and sanitary housing; and
- d. was in existence and generally recognized as a colonia before the enactment of the National Affordable Housing Act of 1990.

The availability of Colonias Allocation funds pursuant to each NOFA is limited to eligible jurisdictions that propose activities within designated Colonias. Eligible jurisdictions may apply for these funds in addition to any other CDBG application submitted during a given program year without invoking the program funding caps.

- 3. **Native American Allocation.** This allocation funds local programs and projects offering the same activities as the General Allocation, above. Only eligible cities and counties may apply for these funds on behalf of these non-federally recognized Native American communities. Eligible jurisdictions may apply for these funds in addition to any other CDBG application submitted during a given program year without invoking the program funding caps. Jurisdictions are encouraged to include activities benefiting Native American communities in their application for CDBG funds.
- 4. **Economic Development Allocation -- Enterprise Fund Component.** This allocation funds local programs and projects offering:
 - a. Business Loans
 - b. Infrastructure Assistance Activities
 - c. Microenterprise Assistance Activities
- 5. **Economic Development Allocation -- Over-the-Counter Component.** Under the OTC Program, the Department provides grant funds to eligible cities and counties for the following purposes:
 - a. to make loans to employers for an identified CDBG-eligible activity which will result in the creation or retention of permanent jobs; or
 - b. to construct infrastructure improvements which are necessary to accommodate the creation, expansion or retention of a business that will create or retain jobs.
- 6. **Planning and Technical Assistance – ED and General Allocations.** This allocation funds planning for CDBG-eligible activities. The General Allocation focuses on housing, public works, and community facilities such as day care centers, food banks, senior centers, homeless shelters, and medical clinics. The ED Allocation focuses on job creation and retention through business expansion and retention projects. Examples of common planning activities include:
 - a. Common General Allocation Planning Activities
 - 1) affordable housing needs and/or development studies
 - 2) GIS (base mapping) activities
 - 3) housing element preparation for jurisdictions in which 51 percent or more of the residents are TIG as documented by the Federal Census
 - 4) community facility feasibility studies (homeless shelters, day care centers and medical clinics)
 - 5) community needs assessments
 - 6) housing condition surveys
 - 7) Section 504 Evaluation Plan
 - 8) infrastructure needs analyses and cost estimates for General-focused activities

- 9) writing grant applications to funding sources for General-focused activities. Please be advised that you may only request up to \$2,500 if preparing a CDBG General/Native American/Colonias Allocation Application
- 10) environmental reviews or studies for General-focused activities

b. Common ED Allocation Planning Activities

- 1) business attraction and job retention studies
- 2) business incubator development feasibility studies
- 3) GIS (base mapping) activities
- 4) business development feasibility studies
- 5) Section 504 Evaluation Plan
- 6) infrastructure needs analyses and cost estimates for ED-focused activities
- 7) writing grant applications to funding sources for ED-focused activities. Please be advised applications for Enterprise Fund or Over-the-Counter applications are limited to \$7,500 per grant application
- 8) needs assessment for business revolving loan fund
- 9) environmental reviews or studies for ED-focused activities

Application & Award Process

Method of Distribution

Notices of Funding Availability (NOFA) have been or will be issued covering all 2004-05 CDBG allocations, as follows:

1. **General Allocation.** The NOFA was issued in October 2003 with applications due February 13, 2004. Awards will be made in April 2004 and contracts will be effective beginning in July. Under the General Allocation, grant funds are competitively awarded to jurisdictions to fund local programs and projects.
2. **Colonias Allocation.** This allocation is included with the General Allocation NOFA and follows the same timeline and processes.
3. **Native American Allocation.** This Allocation is also included with the General Allocation NOFA and follows the same timeline and processes.
4. **Economic Development Allocation -- Enterprise Fund Component.** The NOFA for the Enterprise Fund is scheduled to be released on June 1, 2004. Applications are anticipated to be due on August 20, 2004. Awards are scheduled to be made on November 5, 2004, and contracts are expected to become effective in January 2005. Under the Enterprise Fund program component, grant funds are competitively allocated to jurisdictions.
5. **Economic Development Allocation -- Over-the-Counter Component.** The NOFA for this allocation is scheduled to be released on June 1, 2004. Pre-applications may be submitted any time after issuance of the NOFA through April 1, 2005. Applicants submitting acceptable pre-applications are invited to submit a full application.
6. **Planning and Technical Assistance -- ED and General Allocations.** The NOFA for this allocation was released on approximately March 11, 2004 announcing two application submittal deadlines; the first on May 28, 2004, and the second on September 30, 2004. Under these Allocations funds are awarded on a first-come, first-served basis. Award and decline letters are scheduled to be made on approximately July 9, 2004 and November 12, 2004, respectively, and contracts will be effective beginning October 2004 and February 2005, respectively. For the first time this year, applicants applying for both an ED planning activity and a General planning activity in the same funding round will submit a single application covering both allocations. It is anticipated that this change will save application preparation and processing time.

Priorities/Objectives

General Allocation. The rating and ranking system used for 2004-05 was the same as in 2003-04, including that bonus points would be awarded for the following State Objectives:

1. **Infrastructure Proposals:** Up to 25 points will be awarded for public works and new construction projects providing public infrastructure in support of housing;
2. **Worst Case Housing Needs:** Up to 25 points will be awarded to proposals that facilitate the construction, acquisition or rehabilitation of permanent housing projects that meet all of the following requirements: 1) must include rental housing; 2) of the rental housing, must target at least 25% of the program beneficiaries to be LTIG households who do not receive Federal housing assistance, and 3) must reduce these beneficiaries' rent and utility costs to below 50% of their gross incomes, or benefit persons who live in severely substandard housing. For the purposes of this State Objective, permanent means that residents' tenure in the housing will not be limited to a certain time period;
3. **Farmworker Housing/Health Services:** Up to 25 points will be awarded to proposals which facilitate the development and/or operation of migrant or permanent farmworker housing or proposals which facilitate the provision of health services in combination with farmworker housing. To receive these points, a minimum of 90% of the beneficiaries of the proposed activity must be farmworkers;
4. **Capacity Building:** Up to 25 points will be awarded to jurisdictions that applied for CDBG funding but fell below the funding cut-off in the 2003 General Allocation competition. The activity applied for does not have to be the same as the 2003 proposed activity. Up to 35 points will be awarded to applicants who applied at least two times in the last four years (2000 to 2003) in the General Allocation and who were not funded in the General Allocation in the last four years.

For 2005-06, the General Allocation is considering the addition of a new State Objective that would reward jurisdictions that achieve their Regional Housing Needs Assessment (RHNA) goals (housing production).

For 2005-06, the General Allocation rating and ranking and funding systems may change, depending on the outcome of regulatory changes that will be made during the 2004-05 PY. Among possible changes, the scoring system for "need" under the housing new construction activity may be adjusted to take into consideration the anticipated new RHNA State Objective.

Changes This Year

Although no regulation changes were made in the previous program year that will affect the allocation of 2004-05 funds, State CDBG is drafting regulation changes during the year that, if adopted, would go into effect in 2005-06. CDBG will consult with newly formed advisory committees (see last item in this Changes section, below) about the regulation proposals during their development. The following topics are expected to be addressed in this regulatory proposal:

1. Allow grant awards for up to three consecutive funding cycles at a time, rather than the two allowed under CCR, Section 7064.
2. Remove the phasing requirement from applicants that apply for multi-year funding, up to three years and as allowed by the H&S Code. This will allow applicants to apply for up to three years allocations for programs and projects. This would speed up the expenditure of CDBG funds and reduce the amount of time local and state staff spends on application preparation and processing. Successful applicants would know that they will be funded for up to three years and will be better equipped to plan and spend CDBG dollars.
3. Allow joint applications (from multiple jurisdictions) under the Economic Enterprise Fund and the General, Native American and Colonias Allocations in order to accommodate regional projects and programs. Establish caps, by allocation, for joint applications. Note: Joint applications are already allowed, to some degree, for the General Allocation, the PTA allocations and the OTC Component.
4. Shorten standard contract term from up to 30 months to up to 24 months.

5. Amend Section 7056 (a)(2) to add language clarifying that performance problems include not meeting program income requirements. Also clarify that an applicant may request the disencumbrance of contracted funds in order to resolve a performance problem relating to missed expenditure milestones.
6. Adjust expenditure milestones to reflect the shorter standard contract term.
7. Set-a-side a portion (50K-100K) of the funds in the Economic Development Planning and Technical Assistance allocation for OTC application preparation, analysis of financial data and or work supporting the submittal of the application. Funds would be made available subsequent to the receipt of a Pre-Application and an invitation by the Department to submit a full application for presentation the Economic Development Advisory Committee (Section 7062.1(d)).
8. Change from December 31 to September 1, the date on which the Department may waive the \$800,000 and \$500,000 funding caps on the Economic Development Allocation. This will bring the dates into conformance with the Statute at 50832(a) Health and Safety Code. This will also allow the larger OTC projects to come forward earlier in the funding cycle (Section 7062.1-(6)).
9. Memorialize current policies governing the administration of CDBG program income, including:
 - a. Each Revolving Loan Account (RLA) must revolve, meaning that at least 51% of expenditures each PY must be for loans
 - b. The term Revolving Loan Account has the same meaning as Revolving Loan Fund in the federal CDBG regulations, may be established to fund only one CDBG activity, and must be governed by a set of program guidelines approved by the Department
 - c. Specify that PI must be substantially disbursed each year.
 - d. Defining what is excess program income.
 - e. General Administrative expenses are limited to 18% of the total PI expended in the PY
 - f. Activity Delivery expenses are limited to the same percentages allowed under grants for the same activity, and are based on expenditures for the RLA or the amount of PI spent on a grant-funded activity, as applicable
 - g. Requirement for a locally adopted and Department-approved Program Income Reuse Plan, meeting current requirements, in order to draw CDBG funds
 - h. Section 7104(c), amend to read, "Grantees shall report on program income generated and disbursed"
 - i. Allow transfers to be made between RLAs without a citizen participation hearing if the amount transferred within a PY does not exceed \$5,000
10. Section 7056(b)(4), change time period to 24 months to conform to revised standard contract term.
11. Memorialize requirement to obtain HCD approval of local guidelines for any local program funded with CDBG funds, including grant funds or program income.
12. Establish authority to annually set caps for local General Administration and Activity Delivery – perhaps in the State's Consolidated Plan.
13. Memorialize General PTA (authorized by Sec 50833(b) of H&S Code).
14. Memorialize the method to determine the amount allocated to the Colonias Allocation each year.
15. Memorialize the 10% set-aside for the General Allocation.
16. Memorialize the combination HR/HA activity.
17. Limit the number of activities in an application to two activities plus the 10% set-aside for one additional activity. The combination activity will count as one activity.

In addition to the proposed regulatory changes the following administrative change is being made under existing authority:

Under the 2004-05 Planning and Technical Assistance NOFA, as described above, jurisdictions applying both General and ED Allocations Planning and Technical Assistance grants in one funding round will submit a single application covering both General and ED activities. This is expected to reduce the number of applications prepared and processed. Additionally, as begun last year, one PTA contract will be prepared that encompasses the jurisdiction's funded General and ED activities, whether funded in the same funding round or in separate funding rounds. This reduces the number of contracts, reports and cash requests that must be prepared and processed.

To improve the timely expenditure of funds the CDBG Program is also considering making administrative changes under existing authority. The following proposal is among those being considered beginning for the 2005-06 funding cycle, with NOFA release scheduled for October or November of 2004:

The General, Native American and Colonias Allocations, beginning with the 2005-06 program year (PY) NOFA, and applications submitted in February 2005, may begin to implement a new “just-in-time” funding method. The effect of implementing this method on the 2005-06 funding round would be that significantly more funds would be made available under the NOFA, but some of these funds would not be made available to the grantees through their standard agreements until one year later (July 2006). This would be accomplished in 2005-06 by awarding approximately half of the anticipated 2006-07 funds along with the 2005-06 funds. For the 2006-07 PY, CDBG anticipates awarding the remaining 2006-07 funds along with half of the 2007-08 funds.

Implementation of the just-in-time funding method would make additional funds available for several years, in which the program expects to fund most, if not all, eligible applications submitted, depending on various factors that cannot be foreseen at this time. Once just-in-time is fully-implemented, CDBG would again award the usual PY’s funding amount, but the applications would be funded with approximately 50 percent of funds from that PY and 50 percent of funds from the subsequent PY. In this way, CDBG funds would be made available more in line with when they are needed for programs and projects. Using the just-in-time funding method, CDBG believes it would continue to be able to provide funds to grantees when they need them. Implementation of this method is expected to significantly improve the State’s expenditure rate, which is among the nation’s worst, within two to four years of implementation.

Funding cycles during years in which additional funds are made available have the potential to be under-subscribed, meaning more funds are available than funds requested in eligible applications. Should this occur, CDBG intends to analyze for eligibility all submitted applications and to fund all eligible applications without conducting a rating and ranking process. Additional NOFAs may be released in order to fully encumber available future funds.

Establishment of Advisory Committees. In order to assist the CDBG Program in redesigning its allocations to improve the timeliness of expenditures, the following new advisory committees are planned:

Economic Development Policy Advisory Committee. The department intends to establish this approximately 18-member advisory committee to assist in the development of policies to improve the Economic Development Allocation’s overall effectiveness.

General Program Advisory Committee. The department intends to establish this approximately 12-member advisory committee to assist in the development of policies to improve CDBG’s expenditure rate and overall effectiveness.


Monitoring Activities - Projected for 04/05







During PY 2004-05, the State CDBG Program expects to perform on-site monitoring of all non-planning grants expiring during the year. CDBG will also perform a desk monitoring of each expiring PTA grant. Additionally, CDBG staff will perform fiscal monitoring of approximately six jurisdictions during the year.


Trending Activities


CDBG continues to track grant expenditures and analyze methods to improve the rate. California currently rates among the lowest in the nation in expenditure rate.

Coordination Efforts

 The California State CDBG Program participates in the California Financing Coordinating Committee (CFCC). Created in 1998, the CFCC consists of State and federal agencies and departments that work together to offer coordinated and streamlined access to infrastructure financing for California's local communities. The CFCC members provide potential borrowers and grant recipients with an efficient and effective infrastructure funding mechanism. The CFCC consists of the following agencies and programs:

-  California Infrastructure and Economic Development Bank
-  Infrastructure State Revolving Fund Program
-  State of California, Department of Health Services -- Safe Drinking Water State Revolving Fund
-  State of California, Department of Water Resources -- Various Programs
-  State Water Resources Control Board -- Various Programs
-  United States Department of Agriculture – Rural Development -- Various Programs

 During the PY the State CDBG Program will partner with Rural Communities Assistance Corporation (RCAC) and the California Association of Local Economic Development (CALED), to present the Fifth Biennial California CDBG Conference. This conference gathers program practioners from around the State to train and discuss a wide array of CDBG topics. The conference is scheduled for August 25, 26, and 27, 2004 in South Lake Tahoe.

 CDBG participated in a DCA-wide effort to consolidate homeownership program policies among the Division's three homeownership acquisition programs, including CDBG, HOME and the State-funded "CalHome" Program. These efforts lead to publication, on HCD's website, of a Sample Homebuyer Program Guidelines and a Homebuyer Program Guidelines Checklist. These documents will assist California's local jurisdictions that wish to use more than one of HCD's homebuyer program funding sources to develop local program guidelines meeting the requirements of each funding source.

Databases for the three federal programs administered by DCA, CDBG, HOME and ESG, will be rebuilt and consolidated into a single system during the year, allowing easier roll-up of data.

Five Year Objectives

Progress in meeting the five year objectives of the Plan:

- 1. Meet the housing needs of low-income households, including providing homeownership opportunities for first-time homebuyers.**
The CDBG Program continues to offer all CDBG-eligible housing activities to applicant jurisdictions, including homeownership assistance.
- 2. Meet the housing needs of low-income homeowner households**
Homeownership rehabilitation continues to be one of the CDBG Program's most popular programs.
- 3. Meet the housing and supportive housing and accessibility needs of the homeless and other special needs groups, including prevention of homelessness.**
CDBG continues to offer activities to meet the needs of the homeless. Local jurisdictions may apply for funding to assist the homeless and other special needs groups through supportive housing or accessibility improvements. We are not aware of any activities undertaken by our grantees to prevent homelessness, although in some cases housing rehabilitation may help households remain in their homes.

**Home Investment
Partnership Program
2004/2005 Annual Plan**

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Resources/Availability of Funds

The State of California HOME Program is anticipated to receive from HUD \$60,297,115 for Fiscal Year 2004-05. The HOME Program is also allocated \$2,781,917 for FFY 2003-04 and \$2,951,336 for FFY 2004-05 for the American Dream Downpayment Initiative.

The HOME Program intends to make available the allocated funds to eligible local governments (State Recipients and non-profit organizations certified with the State as Community Housing Development Organizations (CHDOs). In addition, HOME will utilize any disencumbered funds that become available during the year and a portion of the anticipated 2005-06 HUD allocation for Program Year 2004-05 awards.

Set Asides

The following is a breakdown of the anticipated funding levels for the set asides according to federally- and state-mandated levels:

1. **CHDO Allocation** **15%** **\$11,000,000**
A minimum of 15 percent of the total allocation of HOME Funds is set-aside for use by CHDOs.
2. **Program Allocation** **40%** **\$30,000,000**
A minimum of 40% of the total allocation will be reserved for programs, unless this allocation is undersubscribed, then the remaining funds will be transferred to the Project Allocation.
3. **Project Allocation** **40%** **\$30,000,000**
A minimum of 40% of the total allocation will be reserved for projects, unless this allocation is undersubscribed, then the remaining funds will be transferred to the Program Allocation.
4. **Rural Location Allocation** **50%** **\$32,500,000**
A minimum of 50% of the HOME funds awarded will be reserved for applicants qualifying for rural points. However, if there is an insufficient number of eligible applications that qualify for rural points, the remaining rural funding reservation will be used to fund any eligible non-rural applications.
5. **American Dream Downpayment Initiative (ADDI)** **\$ 5,733,253**
ADDI is a new component under the HOME Program through which HUD will make formula grants to certain participating jurisdictions. The State receives ADDI funds proportionate to the percentage of the national total of low-income households residing in rental housing in the state, as determined by the most recent available U.S. census data for 2004. The 2003 allocation was based on need for, and prior commitment to assistance to homebuyers. ADDI is provided to increase homeownership rate, especially among lower income and minority households, and to revitalize and stabilize communities. The 2003 allocation \$2,781,917 is set-aside out of the States HOME allocation. The 2004 allocation \$2,951,336 is a separate allocation in addition to the HOME program allocation. The provision of these funds is contingent upon the completion of HUD's final rule making process.

Match Requirements

The HOME Program requires recipients to provide a 25 percent match for all activities financed with HOME funds per 24 CFR 92.220. In the competitive application process for awarding HOME funds, applicants are required to demonstrate how they will meet the federal requirements for matching funds. Match must meet all requirements as specified in federal Final HOME Rule.

ADDI also requires a 25 percent match for the 2003 Allocation; however, there will be no match requirement for FY 2004 funds.

Match Waivers

The HOME Program anticipates providing a State match activity waiver for funds expended on owner-occupied rehabilitation programs and to program recipients who request a waiver for the first-time homebuyer program. State match waivers are dependent on excess match generated from prior contracts. There are two match waivers granted by HUD for federally-declared disaster areas that are in effect for Program Year 2004/2005 granted to Los Angeles, San Bernardino, San Diego, Riverside, Ventura and San Luis Obispo Counties.

Geographic Allocations/Eligible Applicants

The State HOME Program only geographic allocation is a minimum 50 percent set-aside for rural areas. Rural applicants are also provided a 50 point bonus during the rating and ranking of applications. In addition, each year awards made under each allocation are analyzed for indications of any geographic bias. A list of eligible jurisdictions by program is included on page ____.

Eligible Applicants

1. Cities and counties which have not been designated as participating jurisdictions by HUD;
2. Cities which are not participants in an urban county agreement with a county which is a HUD participating jurisdiction;
3. Cities and counties which are not participants in a HOME consortium; and
4. CHDOs with a current State certification that are proposing activities located in eligible cities or counties as described above that are included in the CHDO's approved service area.

Eligible Activities for Funding: Descriptions & Definitions

HOME funds are available on a competitive basis in through a NOFA. These activities that may be applied for in Program Year 2004/2005 are subject to final approval of the State HOME Program proposed regulatory package.

1. First-Time Homebuyer Program – to: 1) providing a loan to the homebuyer for acquisition and up to \$10,000 for rehabilitation of a dwelling that the homebuyer selects from the open market; and 2) providing assistance for the new construction of scattered site dwellings, with no more than four dwellings on each vacant site, and each site shall be in an existing built-out neighborhood.
2. Owner Occupied Rehabilitation Program – to assist owners whose primary residence is in need repairs and improvements necessary to meet Health and Safety, or federal, State, or local building codes.
3. Rental Rehabilitation and/or Acquisition Program – to assist owners of rental housing that is in need of rehabilitation to assist in the purchase of rental housing or to assist with the purchase and the rehabilitation of rental housing.

4. Tenant-Based Rental Assistance Program – to provide rent subsidies to eligible households. State recipients who administer a tenant-based rental assistance program are eligible only for administrative funds to reimburse expenses eligible pursuant 24 CFR Section 92.207 of the federal HOME regulations.
5. First-Time Homebuyer Project – to develop a specified number of units to be sold to first-time homebuyers. (By the conclusion of construction, the entire HOME investment shall be converted to mortgage assistance to the first-time homebuyers.)
6. Rental New Construction Project – to develop a specific multifamily project on a specific site by a specific developer.
7. Rental Rehabilitation and/or Acquisition Project – to acquire a specific rental project, rehabilitate a specific rental project without a transfer of ownership, or acquire and rehabilitate a specific rental project.

American Dream Downpayment Initiative

First-Time Homebuyer Program – ADDI funds may only be used for down payment assistance towards the purchase of single family housing by low-income families who are first-time homebuyers. Rehabilitation that is completed in conjunction with a home purchase assisted with ADDI funds is also an eligible activity. The total rehabilitation may not exceed 20 percent of the State's allocation. However, rehabilitation is not an eligible use of FY 2003 ADDI funds. The amount of ADDI assistance provided cannot exceed the greater of six percent of the purchase price of a single-family housing unit or \$10,000. HOME funds can be used in conjunction with ADDI funds, especially when an investment of more than \$10,000 is required. The FY 2003 Allocation is subject to the Uniform Relocation Act (URA); however, the FY 2004 allocation is not subject to URA.

Application and Award Process Method of Distribution

The 2004/2005 Program Year NOFA is planned to be issued for both the HOME Program allocation and the American Dream Down Payment assistance as follows:

| | |
|------------------------|--------------|
| NOFA | July 2004 |
| Workshops | August 2004 |
| Application Deadline | October 2004 |
| Loan & Grant Committee | January 2005 |
| Awards | January 2005 |
| Contracts | April 2005 |

1. American Dream Downpayment Initiative funds may be applied for in addition to the HOME Program allocation. Requirements and specific method of distribution will be identified in the NOFA.
2. HOME Program funds will be allocated based on the category of activity (i.e., projects or programs). Applications for projects will only compete against other applications for projects and applications for programs will only compete against other applications for programs. An applicant may submit only one application with up to two activities under the HOME allocation. An applicant may apply for only one project and there will be only one award of HOME funds per project, and each project may receive funding from only one NOFA allocation. The total amount of HOME funds may not exceed the amount limited by the HUD 221(d)(3) subsidy limits and a subsidy layering review specified in 24 CFR 92.250 of the federal regulations.
 - a. Applications for the HOME Program are not considered for funding unless the application demonstrates eligibility and the following:
 - 1) The application submitted timely.
 - 2) The applicant is eligible

- 3) The applicant proposes at least one eligible activity (other than administration) and the use of funds are eligible.
 - 4) The Application is complete.
 - 5) The applicant has no unresolved audit findings.
 - 6) The applicant is not on the list of debarred Contractors.
 - 7) The total amount of funds requested for both administration and activity-specific costs does not exceed funding limits identified in the NOFA.
 - 8) CHDO applications must contain procedures for ensuring effective project control pursuant 24 CR 92.300(a)(1).
 - 9) Project applications demonstrate that the project is financial feasible, and
 - 10) Project applications demonstrate the applicant or developer has site control and completion of Phase I environmental, and a preliminary title report, and
 - 11) Project application demonstrates that there is no pending litigation that could/affect implementation of the project, as proposed.
 - 12) Applications proposing rental activities must contain documentation demonstrating that the project either complies with or is exempt from Article 34 of the California Constitution.
- b. All Applications will be evaluated and may receive points on the following:
- 1) State objectives (50 points).
 - 2) Rural application (50 points).
 - 3) Housing element compliance (50 points)
 - 4) Applicant giving up a formula allocation (50 points).
- c. Program Applications shall be evaluated on these additional criteria defined in the State HOME NOFA:
- 1) Applicant Capability to operate a HOME program (up to 450 points)
 - a) Prior performance in last 3 contracts as defined in the NOFA (350 points).
 - b) Prior experience of the applicant in administering local, state or federal affordable housing or community development programs (100 points).
 - 2) Community need for proposed program based on the following factors by tenure: poverty level and overpayment of households, vacancy rates, age of housing stock, numbers and percentages of substandard housing units, overcrowding and living in substandard housing, availability of affordable units, and the ratio between the median home sales price and the median household income in the jurisdiction. The specific community need factors that will apply to each activity will be identified in the NOFA(up to 450 points).
 - 3) Feasibility of the program as demonstrated by the applicants program guidelines reflect federal and State requirements and the extent to which housing that is eligible for HOME Program Assistance is available by criteria set in the NOFA (up to 100 points).
 - 4) Readiness to implement the program as demonstrated by the selection of the fast-track milestone schedule (up to 100 points).
- d) Project Applications shall be evaluated on these additional criteria defined in the State HOME NOFA:
- 1) Applicant Capability to develop a HOME-assisted project, as demonstrated by the following: (up to 450 points)
 - a) Prior performance in last 3 contracts as defined in the NOFA (200 points).
 - b) Prior experience of the applicant in administering local, state or federal affordable housing or community development programs (up to 50 points).
 - c) Prior experience during the most recent five-year period of the applicant, developer, owner, and managing general partner in developing the same type of subsidized project in a manner consistent with applicable funding sources as is proposed in the application (up to 200 points)
 - 2) Community Need based on poverty level and overpayment for housing by low-income households and by tenure, vacancy rates by tenure, age of housing stock by tenure, numbers and percentages of substandard housing units, overcrowding of housing by tenure, and percentages of households that are below poverty level and who are overcrowded and living in substandard housing by

tenure, numbers of low-income housing units at-risk of market-rate conversion and those that actually have converted to market-rate and affordability index developed by the department which compares median sales prices and the median household income in the jurisdiction (450 points).

- 3) Feasibility of the project as demonstrated by the cost reasonableness and the provision of the greatest number of HOME-assisted units (200 points).
- 4) Readiness as demonstrated by the project development plan, status of local government approvals, completion of NEPA, and financing commitments (300 points).

Responding to Identified Objectives of the Plan

Objective 1: Meet the housing needs of low-income renter households, including providing homeownership opportunities for first-time homebuyers.

HOME funds will be used to support the development of new rental and ownership housing for all types and sizes of low income households.

HOME Objective: The HOME Program plans implement several administrative measures to increase rental housing production.

HOME Target:

1. Synchronizing program requirements and schedules with other financing sources.
2. Increasing project application limits to provide an alternative financing to the very competitive 9% tax credit system which often delays the development of multifamily housing construction.
3. Influencing other financing sources to consider giving scoring considerations to sister agency projects.
4. Market CDBG PTA funds as a source to assist in preliminary activities (e.g., feasibility, infrastructure, and environmental reviews or studies and grant/loan writing) to increase project readiness.

Objective 2: Meet the housing needs of low-income homeowner households.

HOME will be used for rehabilitation of both owner and rental housing. To comply with the federal requirements regarding homeownership, all homeowner loans include a resale restriction, which will apply only if the residence is sold prior to the expiration of the required term of affordability. HOME will utilize the recapture option for its homeownership programs and projects, but reserves the right to utilize the resale option, at its sole discretion, for limited equity forms of ownership like community land trust projects as described in Program Objectives. This requirement takes the form of a deed restriction or other agreement recorded against the title on homebuyers' properties.

HOME Objective: HOME funds will be made available to meet the housing needs of low-income first-time homeowner households and new owner occupied units.

HOME Target:

1. First-time homebuyer: 300 low-income homeowner units.
2. Owner occupied: 100 low-income homeowner units.

HCD has established uniform terms for its direct first-time homebuyer HOME loans through CHDO grantees. State recipients are given the flexibility to assist first-time homebuyers, through their HOME grants, in any way which conforms with 24 CFR 92.254, except that all assistance must be in the form of loans. Forms of assistance other than loans shall not be approved except for funds used for lead abatement work in rehabilitation of owner-occupied housing and funds used for activity delivery costs. State match waivers are provided to assist these activities that are sometimes difficult to find available match sources.

Objective 3: Meet the housing and supportive housing and accessibility needs of the homeless and other special needs groups, including prevention of homelessness.

HOME may be used for the acquisition, rehabilitation, and construction of transitional housing to provide safe, sanitary shelter and services. HOME also provides tenant based-rental assistance that may be used to prevent homelessness and enable homeless families and individuals to move to permanent residency.

Priorities/Objectives

HOME Acceleration of Funds: The HOME Program began acceleration of the expenditure of HOME funds by awarding a portion of the 2003 federal allocation about 6 months, rather than 18 months, after it was made known to HCD by HUD in the 2002 NOFA. As a result, the HOME Program has continued this awarding \$15 million of the above 2004-05 allocation in the 2003 NOFA Process. HCD anticipates a three to five year transition period, where by HCD will continue to award a portion of the most recent federal allocation (NOFA dates 2004, 2005, 2006, and 2007). Each NOFA will be approximately \$75 million. The 2008 NOFA will award the entire HOME funds the same year the HUD award is actually received.

HOME Recapture Policy: The Final HOME Rule at 24 CFR 92.254 (5), requires that participating jurisdictions impose either resale or recapture requirements, at its option. The participating jurisdiction must establish the resale or recapture requirements that comply with the standards of the Final HOME Rule and set forth the requirements in its consolidated plan. The State HOME Program will utilize the recapture option in its homeownership programs and projects, but reserves the right to utilize the resale option, at its sole discretion, for community land trust projects. Under the recapture option, the State HOME Program will require the subrecipient to repay the outstanding HOME subsidy at the time of resale. Full repayment will not be required in the case of a resale with no net proceeds or insufficient net proceeds to fully repay the HOME subsidy. The term of affordability will be ended at such time the HOME subsidy is repaid, in whole or in part, to the HOME Investment Account. The recapture provision will be enforced with a formal agreement with the homeowner and a recorded lien on the property. **Note:** As long as the HOME loan is recaptured, other subsidy providers may impose a resale restriction as long as it ensures that the price at resale provides the original HOME assisted owner a fair return on investment, (including the homeowner's investment, principal reduction and any capital improvement) and ensure that the housing will remain affordable to a reasonable range of low-income homebuyers.

The recapture option is not a viable option for certain HOME eligible activities, specifically limited equity forms of ownership like a community land trust. If a State Recipient applies for this activity during the Notice of Funding Availability and Application process, the State Recipient may indicate the need to use the resale option in the Application. The request will be reviewed and, if appropriate, approved, at the State HOME Program's sole discretion. Under the resale option, the homebuyer may sell the property during the period of affordability provided that the subsequent purchaser is HOME income eligible and the property will be used as the principal residence. At the time of resale, the HOME subsidy will not be repaid to the HOME Investment Account but will be assumed by the subsequent purchaser including all the requirements and provisions contained in a formal agreement with the homeowner, the community land trust and a recorded lien on the property. The resale option will also ensure that the price at resale provides the original HOME assisted owner a fair return on investment (including the homeowner's investment, principal reduction and, any capital improvements) and ensure that the housing will remain affordable to a reasonable range of low-income homebuyers. The period of affordability is based on the total amount of HOME funds invested in the housing. In the event of foreclosure or transfer in lieu of foreclosure the community land trust or the State Recipient may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure to preserve affordability. In the event that affordability is not preserved, the State Recipient will direct all earned Program Income (including any Recaptured funds or repayments) to the State HOME Investment Account until such time as the subsidy is repaid.

Program Income

The actual PI amount State Recipients will receive from the HOME Program this year will be determined after annual reports are submitted. These funds remain with State Recipients and must be spent on HOME-eligible activities. HOME Program received approximately \$1,300,000 in Program Income in fiscal year 2003. HOME has completed a trending analysis and anticipates the receipt of over \$2.5 million in Program Income in fiscal year 2004-05 that is added to the new allocation from HUD and distributed through our Notice of Funding Availability.

CHDOs that meet certain qualify requirements will be permitted to retain CHDO proceed beginning with 2004/2005 program year, contingent upon the finalization of the HOME regulatory package described below.

Changes This Year

The HOME State regulatory process was delayed due to the State of California executive Order S-2-03 requiring a cease processing of regulatory actions. The State's regulations have been released and we are in the process of completing the process to finalize our regulatory package through the Administrative Procedure Act for rulemaking. We are preparing our responses to comments received November 18, 2004 and preparing the notice for an additional 15 day public comment period for the related changes that will be made to the regulatory package. While the HOME regulatory amendments are not yet finalized, we are hopeful that these regulatory changes will be implemented in our 2004/2005 NOFA. The proposed regulations seek to:

1. Improve the rating of applications by adjusting rating factors and eliminating the two-stage rating system. This includes modifications such as awarding points on how well contractors meet their deadlines, timeliness of contractors' required reports, whether they are providing the same number of units they proposed in previous applications, and amending other capability factors; amending threshold factors; increased needs factors; modifying feasibility factors; and eliminating leverage as a factor.
2. Improve the State's expenditure rate by rewarding projects and programs that are the most feasible and most ready to begin construction.
3. Adopt underwriting requirements that loans for all HOME-assisted activities must adhere to underwriting guidelines adopted by the HOME Program.
4. Permit CHDOs which meet certain qualifying requirements to keep program proceeds.
5. Require the CHDO applicant to meet specific eligibility criteria for applying for CHDO set-aside, including prohibiting CHDOs from applying as a co-developer with any entity other than another HCD-certified CHDO, and prohibiting CHDOs from being project sponsor only.
6. Require minimum HOME investments of \$5,000 per unit.
7. Increase the period of affordability for HOME-assisted rental housing projects and for self-help projects developed by CHDOs.
8. Adopt new HOME application requirements.
9. Streamline and revise the HOME application form to make it a more efficient and effective tool for evaluation of applications, particularly in the area of project feasibility, which has changed substantially since the application form was created six years ago.
10. Create new criteria for evaluation of program and project applications based on performance, prior experience, community need, feasibility and readiness.
11. The State will require the applicants to submit a plan with their application for funding describing how ADDI will be marketed to tenants of public and manufactured housing and other families assisted by public housing agencies, for the purposes of ensuring that the ADDI funds are used to provide down payment assistance to such residents, tenants, and families. The plan shall also include a description of the actions the locality will take to ensure the suitability of families receiving the ADDI funds to undertake and maintain homeownership, such as provision of housing counseling to homebuyers.

Monitoring Activities Projected for 04/05

HOME completes HUD required monitoring of all rental projects assisted with HOME funds during the period of affordability. This involves annual, bi-annual or tri-annual reviews of all rental projects (most are every two years). Every-year rental projects are completed and are added to the long term monitoring portfolio. In addition, close-out site monitorings are completed near or at completion from standard agreement compliance. The HOME Administration funds remain at the same level and HUD does not allow Participating Jurisdictions to charge Fees.

HOME completes annual desk monitoring and risk assessments on all projects. Staff has been working on updating checklist, a desk monitoring manual, automating monitoring findings and reports to streamline the process.

HOME Targets:

| Monitorings | No. of Projects |
|------------------|-----------------|
| Long-Term | 213 rental |
| Field | 60 rentals |
| State Recipients | 45 rental |
| CHDO | 15 rental |
| | |
| Desk | 213 rental |
| Close-Out | 57 contracts |
| Field | 41 contracts |
| Desk | 15 contracts |

Trending Activities

- HOME has completed a preliminary analysis of HOME application trends for program years 2000 thru 2003. Two most notable changes are the reduction in the number of applications for rental new construction projects (a 50% drop) and Owner Occupied Rehabilitation program (a 60% drop) between the 2002 and 2003 NOFA.
- HOME has also been tracking the increase of bond projects applications. In program year 2002 there were 15 HOME awards to projects utilizing bond financing in program year 2003 there were 9.
- HOME continues to track grant expenditures and analyze methods to improve the rate. California currently rates among the lowest in the nation in expenditure rate.
- HOME tracks program income received by HCD. This year we received \$1,300,000; a 180% increase over the approximate \$725,000 received last year. The average yearly increase over nine years is also 180%; although, there seems to be variation between alternate years – with even a 100% increase anticipated of over \$2.5 million in program income during fiscal year 2004/05.

Coordination Efforts

- The HOME Program staff meets bi-annually with the HOME Advisory Committee (composed of HOME eligible local governments advocates and CHDOs) to ensure there is ongoing dialogue between HCD and representatives of its HOME Program customer base. The Advisory Committee met March 11, 2004, to discuss proposed changes to program policy and the proposed regulations.
- HCD's DCA has taken the lead in facilitating several coordinating efforts among its programs that include HOME and CDBG. First, HOME and CDBG staff have met to discuss cross-cutting issues such as implementation of common federal overlay requirements. Discussions were focused upon standardization, where appropriate, of procedures.

3. HOME has implemented and continues to provide training on the HCD Uniform Multifamily Regulations consolidating Rental Underwriting Criteria for the State HOME Program and rental programs implemented under Proposition 46 State housing bond. HCD, HOME has met with the other major rental housing programs to coordinate underwriting policies and procedures.
4. HCD has begun the build phase for a new software system that will be used by HOME, CDBG and ESG. The new system will replace the current software, City Software. Its expanded capabilities include real-time gathering of reporting information, monitoring information and automatically producing contracts.
5. HOME participated in DCA-wide effort to consolidate homeownership program policies among the Division's three homeownership acquisition programs, including HOME, CDBG and the State-funded "CalHome" Program. These efforts lead to publication, on HCD's website, of a Sample Homebuyer Program Guidelines and a Homebuyer Program Guidelines Checklist. These documents will assist California's local jurisdictions that wish to use more than one of the Department's homebuyer program funding sources to develop local program guidelines meeting the requirements of each funding source.
6. HOME currently coordinates with other funding agencies to complete monitoring together when possible and to share monitoring findings and reports. HOME is also participating on a multi-section team to identify and establish standards that assure preservation of the affordable units and nonconformance to regulations.

**Emergency Shelter
Grants (ESG)
2004/2005 Annual Plan**

**E
S
G**

Summary

Title IV of the Stewart B. McKinney Homeless Assistance Act authorizes HUD to allocate Federal Emergency Shelter Grant (ESG) Program funds nationwide to units of local governments and states using an allocation formula. We anticipate the FFY 2004 funding level which is being made available to the State of California ESG Program will be \$ 6,691,735. Less 4% for HCD Administration, a total of \$6,424,066 is anticipated to be available under the 2004 State ESG NOFA for nonprofits and units of general local government operating homeless facilities in State ESG-eligible cities and counties. The availability of these funds will be subject to the execution of a formal Grant Agreement between HUD and the State.

The State ESG Program is governed by Title 24, Code of Federal Regulations, Part 576. HCD has authority under State law (Health and Safety Code 50406), to accept these funds and distribute them in accordance with program requirements.

This 2004 NOFA is also governed by State ESG regulations that are in the final stages of being adopted by HCD. The proposed regulation text and associated rule-making documents are available on HCD's web site at www.hcd.ca.gov/ca/fesg/, along with the federal ESG regulations. The State regulations are still subject to changes during the remaining portions of the rule-making process, including final review by the Office of Administrative Law. However, HCD expects that the final adopted regulations will be substantially the same as the proposed version dated July 25, 2003, with amendments dated February 25, 2004. Both of these documents have been posted on our web site at the address above. Accordingly, applications should be completed pursuant to the requirements as stated in this NOFA. Should there be any change to the regulations which would affect the application process or alter information to be submitted by the applicant or reviewed by HCD, all interested parties will be immediately notified of the changes.

Specific Geographic Distribution Methods

Minimum 33% to Northern California Allocation Region

Minimum 24% to Southern California Allocation Region

Minimum 19% to Rural Allocation Region

Minimum 5% to New Programs

(defined as programs in operation less than 12 months and
not receiving State ESG or EHAP funds in the previous 2 funding rounds)

Remaining 15% general allocation distributed competitively among allocation regions.

(4% to administer FESG program)

See Eligible Jurisdiction list for regions.

Program Action Plans

Resources/Availability of Funds

As in FFY 2003, the State will use funds provided by State Homeless Programs to meet the federal match requirement for ESG. Funds from the Emergency Housing and Assistance Program (EHAP) and Emergency Housing and Assistance Program-Capital Development (EHAP-CD) will be used for match for FFY 2004 and future years.

Geographic Allocations/Eligible Applicants

State ESG funds are available for use throughout the State, except in the jurisdictions that receive formula allocations from HUD or which participate with urban counties that receive funds directly from HUD. Beginning in the 2004 FFY, State ESG funds will be distributed through regional allocations as set forth in State regulations. See page ___ for *ESG Program* section for a list of eligible jurisdictions by allocation region.

Application & Award Process Method of Distribution

ESG funds are available on a competitive basis through a Notice of Funding Availability (NOFA) to applicants providing services in eligible cities or counties which do not receive ESG funds directly from HUD.

Eligible Activities

1. **Essential Services:** Activities may include, but are not limited to, services associated with employment, health, drug abuse, education, obtaining permanent housing, medical and psychological counseling, nutritional needs and staff salaries necessary to provide these services.
2. **Operations:** The costs of operating and maintaining an emergency shelter or transitional housing such as rent, repairs, utilities, furnishings, insurance, equipment, and fuel.
3. **Homeless Prevention:** Activities may include such things as: 1) short term subsidies to help defray rent and utility amounts in arrears for tenants that have received eviction or utility termination notices; 2) security deposits and first and or last months rent; 3) legal services programs for the representation of indigent tenants in eviction proceedings; and 4) other innovative programs designed to prevent homelessness.
4. **Supervisory Shelter Administration:** Pay for salary and benefit costs for supervision of all direct shelter operation staff not to exceed 10 percent of the total grant amount.
5. **Grant Administration:** A maximum of 4 percent of the FY 2003 ESG allocation will be used for administering the program at the State level. Grantees of ESG funds may use 1 percent of its total grant amount to cover the cost of administering the program. Eligible grant administrative expenses are only those necessary to administer the grant, not to administer or operate the shelter. Specific grant administrative expenses include the staff costs or contract staff costs to prepare ESG reports, communicate with ESG staff, and to pay for the ESG share of the required audit.
6. **Renovation/Major Rehabilitation/Conversion:** Renovation is rehabilitation that involves costs of 75 percent or less of the value of the building before rehabilitation. Major rehabilitation involves costs of more than 75 percent of a building's value before rehabilitation. The value of the building does not include the value of the land. Conversion is a change in the use of a building to an emergency shelter, where the cost of conversion and any rehabilitation exceed 75 percent of the value of the building after conversion. If such costs do not exceed 75 percent of the value of the building before rehabilitation, they are to be considered renovation.

7. Evaluation Criteria and Point Scores

| Evaluation Criteria | Points |
|--|-------------------------|
| Applicant Capability | 300 |
| Need for Funds | 100 |
| Impact and Effectiveness of the Client Housing | 250 |
| Cost Efficiency | 100 |
| State Objectives | None this funding round |
| Maximum Score | 750 |

- a. The State ESG Program is implementing new State regulations which resulted in new application evaluation criteria. A summary of the ESG application evaluation criteria follows:

- 1) **Applicant Capability – 300 points**

- a) The number of years the applicant has been providing housing and services for the homeless (30 points)
- b) The applicant's experience operating the proposed program or a similar program (30 points)
- c) The process utilized by the organization to evaluate the program (30 points)
- d) The applicant's experience administering other federal housing grants including ESG (30 points)
- e) The number of years experience working in the program possessed by key staff of the program, or other related experience of key staff (60 points)
- f) The proposed ratio of staff to clients (60 points)
- g) Whether the applicant has any unresolved monitoring findings or concerns from previous ESG grants (20 points)
- h) Whether the applicant has submitted required reports in a timely manner for previous ESG grants (20 points)
- i) Whether the applicant has obligated and expended funds in a timely manner for previous ESG grants (20 points)

8. **Need for Funds – 100 points**

- a. The percentage of ESG funds to the applicant's proposed total program budget. The higher the level of need, as demonstrated by a higher percentage of FESG funds in the applicant's total program budget, the more points the applicant will receive for this rating (50 points)
- b. The relative need for the applicant's housing type as certified by a local county-wide entity dealing with homelessness (50 points)

9. **Impact and Effectiveness of the Client Housing – 250 points**

- a. The number of services offered to homeless persons and the accessibility of those services (60 points)
- b. In the last twelve months, the percentage of clients who have exited the program and moved into permanent, transitional, or emergency housing (30 points)
- c. In the last twelve months, the percentage of clients who as a result of their participation in the applicant's program have obtained or retained employment (30 points)
- d. In the last twelve months, the percentage of clients who as a result of their participation in the applicant's program have obtained other income such as Supplemental Security Income (SSI), Temporary Assistance for Needy Families (TANF), or county general assistance (30 points)
- e. In the last twelve months, the percentage of clients who as a result of their participation in the applicant's program have stabilized a mental illness or chemical addiction for a minimum of 90 days for transitional housing programs, and 30 days for all other programs (30 points)
- f. Whether the applicant is a participant in a local planning process for the community-wide continuum of care, EHAP Local Emergency Shelter Strategy (LESS), or other homeless housing and supportive services plan (40 points)

10. **Cost Efficiency – 100 points**

- a. The relative cost efficiency of the proposed use of ESG funds as measured by the cost per bed per month, or cost per households served per month. Essential Services costs will not be factored into a program's cost efficiency calculation. Only programs of the same housing-type will be compared with one another for purposes of this rating factor (60 points)
- b. The applicant's level of coordination with other organizations to operate the applicant's program (40 points)

11. **State Objectives – Zero points**

There are no designated State Objectives for this funding round.

FESG State Objectives. The relationship between housing costs and household income is a primary cause of homelessness. Generally speaking, in areas of the State where household income is not growing fast enough to support increased housing costs, more people become homeless or face eviction. This increases the need for homeless services, and the need for ESG funds.

In future funding rounds, HCD may award State Objective points to applicants for ESG funds based on comparing rent as a percentage of household income in the applicant's county relative to all other counties in the State. Whether HCD uses this measure of housing costs will depend on the availability of U.S. Census data or all 58 counties from the year 2000 or later.

Responses to Identified Objectives

Objective 3: Meet the housing and supportive housing and accessibility needs of the homeless and other special needs groups, including prevention of homelessness.

Activities and Programs: The activities and programs in support of this objective will be the same as those shown in the five-year strategy for this objective, including leveraging policies and methods for meeting matching funds requirements. HUD funds which the State expects to use to improve housing conditions for special needs groups and homeless persons include the ESG and HOPWA programs in particular.

Homeless: Currently funded McKinney Act programs, originally funded under the Permanent Housing for the Handicapped Homeless (PHH) program, will be transferred to HUD oversight when they receive Supportive Housing Program renewals.

An important part of promoting suitable living conditions for those with special needs is the provision of appropriate supportive services. As described in the Supportive Services section of the Consolidated Plan, California has an extensive ongoing system of social services that provides institutional care, client-based community or residential services, and housing-based supportive services. The State will continue its efforts to assist homeless persons by funding the activities of service and housing providers to promote self-sufficiency and provide transitional and permanent housing. State regulations have been developed by the State ESG program to be implemented beginning FFY 2004. As a result, regional allocations have been assigned as well as new rating and ranking criteria set forth in the 2004 NOFA. Other key elements of the 2004-2005 program include continuing the increase to a 40 percent limit for Essential Services (pursuant to the HUD waiver for 2004), and extension of homeless prevention expenditure to the contract expiration date, the same as all other ESG eligible activities. Additionally, the State regulations provide disability provisions which state that an applicant or a State recipient providing Client housing shall establish rules for Client participation which shall include a description of the Program's disability-related policies, including the process for a Client to request a reasonable accommodation to a Program policy, practiced, or requirement because of the Client's disability or perceived disability, and the process for a Client to file a disability related grievance. Applicants must also demonstrate the accessibility of the services they provide to accommodate clients with disabilities.

Priorities among the eligible uses of ESG funds are reassessed periodically. Applicants in PY 2004-2005 for ESG funds may apply on a competitive basis for funding for emergency shelter and transitional housing or homeless individuals and homeless families, to prevent individuals and families from becoming homeless, and to help homeless persons make the transition to permanent housing and independent living, including funding of supportive services for those who need such services to achieve and maintain independent living.

Prevention of Homelessness: Programs such as ESG and EHAP, which assist with rent payments in arrears, initial rent, and utility payments, are important in preventing evictions that can result in homelessness. ESG applicants will be able to apply for a stand-alone homeless prevention program (separate from an emergency shelter). Unlike in past years, these applications will not be limited to one-year grants, nor will they be limited to \$40,000 per grant.

Priorities/Objectives

1. Increase the percentage of clients who have exited the program and moved into permanent, transitional, or emergency housing.
2. Increase the percentage of clients who, as a result of their participation in the program, have obtained or retained employment.
3. Increase the percentage of clients who, as a result of their participation in the program, have obtained other income such as Supplemental Security Income (SSI), Temporary Assistance for Needy Families (TANF), or county general assistance.
4. Increase the percentage of clients who, as result of their participation in the program, have stabilized a mental illness or chemical addiction for a minimum of 90 days for transitional housing programs, and 30 days for all other programs.

Changes This Year

ESG has developed State regulations which are in being put into effect beginning FFY 2004. Following extensive review of public comments to the proposed regulations, the program has replaced the previously issued Request for Proposal (RFP) with a NOFA and modified rating and ranking criteria to reflect the new regulations. Based on analysis of past applications received, a regional allocation system has been developed to ensure funds are awarded proportionally where they are most in demand. A change resulting from the adoption of State regulations includes elimination of the 12 month expenditure deadline for Homeless Prevention activities. Additionally, the minimum and maximum grant amounts are set amounts no longer based on bed count or the county where facilities/programs are operating. It is believed that, although individual grant amounts will be lower, this will result in the needs at a local level being met without county-level restrictions on ESG funds awarded.

Monitoring Activities

Revise and continue to use the grantee Risk Assessment tool to measure risk associated with all grantees from the 2001 and 2002 funding cycles and to determine which grantees require on-site monitoring.

In FFY 2004 monitor the highest risk grantees, increasing the number of grantees to be monitored from 10 to 15.

Develop a tracking system for grantee reporting and notify by mail or e-mail grantees that are not reporting in a timely manner or not at all. During FFY 2004, grantee expenditure rates will be added as a rating criterion which could affect future funding.

Trending Activities

In FFY 2004 application, require applicants to estimate program outcomes in the form of the average number of persons/households served daily.

In subsequent annual reports, compare the estimates to actual average number of persons/households served daily.

2003 FESG Grant Awards

Please consult the list below to determine whether a 2003 FESG grant you have is a one-year or two-year grant.

| Name | 2003 | County | City | Term |
|--|--------------|----------------|------------------|---------|
| 1736 Family Crisis Center | \$81,600.00 | Los Angeles | Redondo Beach | 2 Years |
| Amador-Tuolumne Community Action Agency | \$261,800.00 | Amador | Jackson | 2 Years |
| Antelope Valley Domestic Violence Council | \$221,000.00 | Los Angeles | Lancaster | 2 Years |
| Arcata House, Inc. | \$67,200.00 | Humboldt | Arcata | 2 Years |
| Campesinos Unidos, Inc. | \$58,904.00 | Imperial | Brawley | 1 Year |
| Campesinos Unidos, Inc. | \$50,000.00 | Imperial | Westmorland | 1 Year |
| Catholic Charities of the Diocese of Santa Rosa | \$20,000.00 | Sonoma | Santa Rosa | 1 Year |
| Catholic Charities, a Community Service Ministry of the Diocese of San Diego | \$152,397.00 | San Diego | Carlsbad | 2 Years |
| Central California Family Crisis Center, Inc. | \$251,600.00 | Tulare | Porterville | 2 Years |
| Chico Community Shelter Partnership | \$176,580.00 | Butte | Chico | 1 Year |
| City of Hemet | \$261,800.00 | Riverside | Hemet | 2 Years |
| Colusa-Glenn-Trinity Community Action Agency | \$204,000.00 | Glenn | Willows | 2 Years |
| Community Housing & Shelter Svcs of Stanislaus Co | \$126,000.00 | Stanislaus | Turlock | 1 Year |
| Community Resource Center | \$88,400.00 | San Diego | Encinitas | 2 Years |
| Community Support Network | \$20,000.00 | Sonoma | Santa Rosa | 1 Year |
| Contra Costa Health Services | \$339,379.00 | Contra Costa | Concord | 2 Years |
| Co of San Benito Dept of Comm Svcs & WF Develop | \$39,272.00 | San Benito | Hollister | 1 Year |
| El Dorado Wo/Men's Information Center | \$68,000.00 | El Dorado | Placerville | 2 Years |
| Emergency Shelter Program, Inc. | \$62,606.00 | Alameda | Hayward | 1 Year |
| Family Emergency Shelter Coalition | \$43,200.00 | Alameda | Hayward | 1 Year |
| Foothill Family Shelter, Inc. | \$202,000.00 | San Bernardino | Upland | 2 Years |
| Ford Street Project | \$96,037.00 | Mendocino | Fort Bragg | 2 Years |
| Housing Advocacy Council of Monterey County | \$45,536.00 | Monterey | Salinas | 1 Year |
| Laura's House | \$119,000.00 | Orange | San Clemente | 2 Years |
| Lompoc Housing Assistance Corporation | \$190,400.00 | Santa Barbara | Lompoc | 2 Years |
| Madera County Community Action Agency, Inc. | \$122,400.00 | Madera | Madera | 2 Years |
| Many Mansions | \$35,855.00 | Ventura | Thousand Oaks | 1 Year |
| Merced County Community Action Board | \$251,000.00 | Merced | Merced | 2 Years |
| Mountain Women's Resource Center, Inc. | \$68,000.00 | Tuolumne | Sonora | 2 Years |
| New Morning Youth and Family Services, Inc. | \$68,000.00 | El Dorado | Placerville | 2 Years |
| North County Interfaith Council, Inc. | \$100,000.00 | San Diego | Escondido | 2 Years |
| Redwood Community Action Agency | \$67,394.00 | Humboldt | Eureka | 2 Years |
| Shelter Network of San Mateo County | \$136,800.00 | San Mateo | Redwood City | 1 Year |
| Shelter Network of San Mateo County | \$50,000.00 | San Mateo | Daly City | 1 Year |
| Shelter Network of San Mateo County | \$46,800.00 | San Mateo | San Mateo | 1 Year |
| South Bay Community Services | \$173,400.00 | San Diego | Chula Vista | 2 Years |
| Southern California Alcohol and Drug Programs, Inc. | \$119,000.00 | Los Angeles | Bellflower | 2 Years |
| St. Clare's Home, Inc. | \$78,150.00 | San Diego | Escondido | 2 Years |
| The Salvation Army, a California Corporation | \$183,600.00 | Santa Cruz | Watsonville | 2 Years |
| The Salvation Army, a California Corporation | \$66,600.00 | Los Angeles | Whittier | 1 Year |
| The Salvation Army, a California Corporation | \$73,800.00 | Ventura | San Buenaventura | 1 Year |
| The Salvation Army, a California Corporation | \$65,897.00 | Santa Barbara | Santa Barbara | 1 Year |
| The Salvation Army, a California Corporation | \$339,130.00 | Sutter | Marysville | 2 Years |
| Tri-City Homeless Coalition | \$224,400.00 | Alameda | Fremont | 2 Years |
| Vietnam Veterans of California, Inc. | \$68,000.00 | Sonoma | Petaluma | 2 Years |
| Whittier Area First Day Coalition | \$153,000.00 | Los Angeles | Whittier | 2 Years |
| Women's Resource Center | \$168,764.00 | San Diego | Oceanside | 2 Years |
| Yolo Wayfarer Center (Christian Mission) | \$86,400.00 | Yolo | Woodland | 1 Year |

**Housing Opportunities
For Persons With AIDS
2004/2005 Annual Plan**

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Resources/Availability of Funds

The Department of Health Services (DHS) Office of AIDS (OA) administers the State's HOPWA Program. During the period covered by the 2004 Action Plan, federal fiscal year 2004 funds totaling \$3,041,000 will be used to support activities under Round 13 of this program. Additionally, approximately \$1.9 million in current and prior year HOPWA and State funds will be made available to facilitate housing resource identification, technical assistance and development activities over a two-year contract period.

Matching Funds & Set-Asides

There are no matching fund requirements or set-asides under the HOPWA Program. The majority of HOPWA funds are used for rental assistance activities, which typically do not leverage other funds. However, there are a variety of other funding sources that are used in combination with HOPWA funding such as:

- Ryan White CARE Act Title II funds
- Section 8 Shelter Plus Care Program
- Section 8 Housing Choice Vouchers
- State Residential AIDS Licensed Facilities Program (RALF)
- McKinney-Vento Supportive Housing Program
- HUD 811 Housing Program
- HOME Program
- State Multi-Family Housing Program and Supportive Housing Component

Geographic Allocations/Eligible Applicants

The fiscal year 2004 funds will be distributed by a formula allocation process to 42 counties located outside of HOPWA Eligible Metropolitan Statistical Areas (EMSAs). The formula used to allocate HOPWA funds is based upon the number of persons living with AIDS, as reported to the OA HIV/AIDS Case Registry, in each of the eligible counties listed below. Approximately \$2,800,000 will be allocated through the formula allocation process. Eligible applicants are: 1) currently funded HOPWA sponsors, 2) newly approved agencies, and 3) interested applicants eligible to provide services in Inyo, Mono, Mariposa and Alpine counties (counties currently without representation).

Counties with 100 or more reported cases of AIDS, as reported to the OA HIV/AIDS Case Registry, automatically donate ten percent (10%) of their HOPWA formula allocation to a pool of state and HOPWA funds dedicated to funding activities related to the development of long-term housing opportunities for PLWHs. Those counties are identified with asterisks in the table below (please note that Kings and Tulare Counties recently reached this level, but have not been included in this requirement to date). In the past, pooled funds have been allocated on a competitive basis; however, this year the funds will be made available non-competitively to existing fiscal agents/sponsors and newly approved agencies within the eligible counties for the purpose of facilitating housing development or long-term rental assistance activities (including the development of housing needs assessments and other resource identification activities).

HOPWA Grantee Eligible Counties

| | |
|------------------|---------------------------|
| Amador County | Monterey County* |
| Alpine County | Napa County |
| Butte County | Nevada County |
| Calaveras County | Plumas County |
| Colusa County | San Joaquin County* |
| Del Norte County | Santa Luis Obispo County* |
| Fresno County* | Santa Barbara County* |
| Glenn County | Santa Cruz County* |
| Humboldt County | Shasta County |
| Imperial County | Sierra County |
| Inyo County | Siskiyou County |
| Kern County* | Solano County* |
| Kings County | Sonoma County* |
| Lake County | Stanislaus County* |
| Lassen County | Sutter County |
| Madera County | Tehama County |
| Mariposa County | Trinity County |
| Mendocino County | Tulare County |
| Merced County | Tuolumne County |
| Modoc County | Ventura County* |
| Mono County | Yuba County |

Eligible Activities for Funding

The following table provides a description of all activities eligible under the HOPWA Program.

| The following table provides a description of an activities eligible under the HOPEWAT Program. | | | | |
|---|---|--|--|--|
| Direct Housing Services | Description of Eligible Activities | | | |
| Short-term supportive housing | This assistance may provide short-term supportive housing for 60 days during any six month period. The assistance includes: <ul style="list-style-type: none">• motel/hotel vouchers• rent in a short-term supportive housing facility | | | |
| Emergency rent, mortgage, and utility payments | This assistance must prevent homelessness of the tenant or mortgagor of a dwelling. Assistance can include: <ul style="list-style-type: none">• payment of utilities• payment of rent• payment of mortgage to prevent homelessness Assistance can be provided for 21 weeks out of any 52 week period | | | |
| Rental Assistance | <ul style="list-style-type: none">• Project-based rental assistance. (Rental subsidies that are provided to residents of certain units within a specific building. When the residents move, the rental subsidy remains with the unit to be used by the next eligible client.).• Tenant-based rental assistance (Rental subsidies that are provided to the residents to be used in any eligible unit chosen by the client. If the client moves, the rental subsidy remains with the client to be used in another eligible unit.).• Shared housing arrangements (may be used when two or more people are sharing a home).• First and last month’s rent and other move-in costs | | | |
| HIV/AIDS Facility Operating Costs | This activity pertains to all costs associated with the ongoing operations of a housing project that targets PLWA. This includes <u>licensed and unlicensed HIV/AIDS facilities</u>. Such costs include: <ul style="list-style-type: none">• Security• Insurance• Furnishings• Utilities• Operational costs (staff, etc.)• Supplies & Materials• Equipment• Maintenance | | | |
| Capital Development Costs | This category includes acquisition of a building or site, new construction, rehabilitation, conversion, lease and repair of facilities to provide housing for persons living with HIV/AIDS. Activities include, but are not limited to, the following: <ul style="list-style-type: none">• Land acquisition• Acquisition: single-family units, apartments, duplexes, single room occupancy hotels, condominiums• Rehabilitation: 1) Minor or major repairs of building or unit 2) Conversion of non-residential building to a residential• New Construction: Costs associated with the construction of single room occupancy dwellings and community residences only | | | |
| Technical Assistance | These costs must pertain to the establishment and operations of a community residence. <ul style="list-style-type: none">• Planning costs• Community outreach and educational activities regarding AIDS or related diseases for persons residing in proximity to the proposed residence.• Development of long term planning documents• Development of AIDS housing needs assessment | | | |
| Resource Identification | <ul style="list-style-type: none">• Activities specific to identifying housing resources. Do not include housing referral services.• Assistance in establishing, coordinating and/or developing housing assistance resources for eligible persons. | | | |

| | |
|--|---|
| Direct Housing Services | Description of Eligible Activities |
| | <ul style="list-style-type: none"> • Hiring staff or consultants to develop housing finance package for a specific housing project • Conducting preliminary research • Determining feasibility of specific housing-related initiatives • Market studies |
| Housing Information Services | <p>These costs must pertain to the establishment and operations of a community residence.</p> <ul style="list-style-type: none"> • Housing Consulting • Information Services • Referral services to assist an eligible person to locate, acquire, finance, and/or maintain housing • Fair Housing counseling for people who have encountered discrimination on the basis of race, religion, sex, age, national origin, familial status, or handicap. |
| Supportive Services (Funding for Supportive Services may not exceed 25% of the HOPWA contract amount) | <ul style="list-style-type: none"> • Health services, mental health services, assessments • Permanent housing placement – includes move-in costs such as security deposit assistance • Drug and alcohol abuse treatment and counseling • Day care • Intensive care when required • Benefits counseling related to health benefits, nutritional services, personal assistance • Food • Transportation • Homemaker services • Case Management |
| Admin & Delivery Expenses | Description of Eligible Activities |
| Administrative (7% limitation on allocation) | <ul style="list-style-type: none"> • General management of the HOPWA grant • Oversight • Coordination of HOPWA activities • Evaluation <ul style="list-style-type: none"> • Reporting activities • Audit costs |
| Activity Delivery Costs (for subcontractors or fiscal agents providing services – not administrative costs) | <ul style="list-style-type: none"> • Activity Delivery Costs are limited to 10% of the eligible HOPWA service. They must be reasonable and they must be documented expenses. • Activity Delivery Costs for Direct Housing Services may include staff salaries and benefits of staff directly delivering the activity, travel related to delivery of the activity, overhead (postage, office, supplies, prorated office rent, etc.). • Activity Delivery Costs for Other Services Should not include staff salaries and benefits. |

Application & Award Process

Method of Distribution

HOPWA Formula Funded Contracts: The Office of AIDS (OA) allocates HOPWA funds annually on a non-competitive basis to Fiscal Agents/sponsors in eligible designated counties throughout the State (see *HOPWA State of California Grantee Eligible Counties* table above). Each Fiscal Agent receives a formula allocation of HOPWA funds annually and typically these funds are used for, but not limited to, emergency rental, mortgage and utility assistance, housing information and supportive services. The OA determines formula allocations based on the number of persons living with HIV/AIDS (PLWHs) “case index,” as reported by the county health departments to the OA HIV/AIDS Case Registry effective December 31 of the prior year.

HOPWA Competitive and Targeted Requests for Applications: In addition to the non-competitive formula allocation process, the OA has set aside a percentage of the annual HOPWA grant together with available State general funds and any unexpended HOPWA funds available from previous years for the purpose of promoting housing development activities. This set-aside of funds has been named the HIV Housing Development Program. In previous years, housing development funds were made available on a competitive basis by retaining 10 percent of the funds allocated to fiscal agents in those counties containing 100+ reported cases of AIDS. In 2002 and 2003 fiscal years, these funds were made available to the eleven eligible counties but were undersubscribed. It was determined that the greatest barrier to successful housing development in these jurisdictions is the lack of sufficient resources and expertise to carry out the complex activities involved in housing development. With this barrier in mind, in November, 2003 the OA made funds available to the fiscal agents or selected HIV/AIDS nonprofit service agencies with existing HOPWA contracts for the facilitation of housing development activities, including the development of long-term housing plans, the creation of linkages among housing providers, funding agencies, and HIV/AIDS and mainstream service agencies, and identification of housing resources. Seven contractors were awarded funds for a total of approximately \$1,043,000 to carry out these activities and ultimately increase the housing available to persons living with HIV/AIDS. The funds will be expended over the next two fiscal years (fiscal years 2004-05 and 2005-06). Remaining unexpended funds in the HIV Housing Development Program may also be awarded in fiscal year 04-05 on a competitive basis or as augmentations to these contracts for housing development activities and tenant based rental assistance.

Community Input: The OA values the community input process in determining need for housing and other services at the statewide level as well as the local level. HOPWA non-competitive funds are allocated locally through a process that includes an assessment of need. This process is typically a part of the overall assessment of HIV needs in a region, and includes input and participation by local service agencies, persons infected and affected by HIV/AIDS, other community members, health and housing departments, etc. Fiscal agents/sponsors, working with local HIV planning groups provide input regarding the specific needs of PLWHs at the county level.

HIV housing issues are also addressed through the OA’s statewide Coordinated Statement of Needs and the California HIV Services Plan. Both documents have been developed through an inclusive process that included focus groups, teleconferences, research studies, etc. Additionally, the statewide California HIV Planning Group provides community input regarding the utilization of HOPWA Program funding.

Responding to Identified Objectives

(5 year goals)

1. Meet the housing needs of low-income renter households, including providing homeownership opportunities for first-time homebuyers.

HOPWA funds are used to assist renters who are at-risk of homelessness through the provision of tenant based rental assistance, short-term emergency rental and utility payment assistance (TBRA & STRMU). Historically, approximately 60 percent of the annual formula HOPWA funds have been used for these activities.

HOPWA Objectives:

- a. To maintain the number of persons receiving TBRA and STRMU identified in the previous year.
- b. Increase client accessibility to longer term rental subsidies such as Section 8, or Shelter Plus Care to ensure continued assistance.
- c. Increase the number of long-term rental housing units available to PLWHs.

HOPWA Strategies:

- a. Continue to monitor sponsors to ensure funds are being utilized properly.
- b. Provide technical assistance, training tools and resource information to sponsors and case managers for the development of long-term housing plans for clients.
- c. HOPWA funds are also utilized to promote the development of affordable rental housing for PLWHs to include the development of transitional facilities as well as long-term units for independent living. During this program year, funds will also be used to assist eligible counties in developing long-term housing plans, and identifying viable projects and the resources to increase housing opportunities.

2. Meet the housing needs of low-income homeowner households

HOPWA funds may be used for emergency mortgage assistance to low-income homeowners in an effort to prevent foreclosure and allow PLWHs and their families to remain in their homes.

HOPWA Objective:

Prevent homelessness among low-income PLWHs.

HOPWA Strategies:

Allocate HOPWA funds towards mortgage and utility assistance payments throughout the 42-county area. Continue to monitor sponsors ensure funds are being utilized properly.

3. Meet the housing and supportive housing and accessibility needs of the homeless and other special needs groups, including prevention of homelessness.

The HOPWA Program provides rental, utility and mortgage assistance to persons living with HIV/AIDS who are at risk of homelessness. This assistance, when coupled with HOPWA-funded supportive services, has allowed these residents to remain in their homes. The prevention of homelessness is an essential component of the HOPWA Program, particularly with the advent of life prolonging medications with rigorous protocols that are better served by stability in the person's living situation. HOPWA will work towards the prevention of homelessness through the objectives and strategies set forth in this plan.

HOPWA Objective:

Allocate funds in accordance with the Method of Distribution previously described.

HOPWA Strategies:

- a. HOPWA funds are primarily utilized to provide emergency and short-term rental subsidies, emergency mortgage assistance and utility payment assistance to PLWHs who are homeless or at risk of homelessness.
- b. Funds will be used for tenant based rental assistance activities, including move-in costs such as first and last month's rent.
- c. HOPWA funds are used to pay operating costs of transitional and long-term licensed and unlicensed housing facilities for PLWHs.
- d. HOPWA funds provide ongoing supportive services that allow these persons to continue to live independently. Up to 25% of each county's allocation may be used for supportive services. Counties are encouraged to collaborate with HIV/AIDS services agencies and other mainstream service agencies to provide supportive services to HOPWA clients.
- e. HOPWA funds may be used to provide housing information services including, but not limited to, fair housing counseling and referral services.

HOPWA Objective:

Ensure underserved and hard-to-reach populations living with HIV/AIDS have been identified and included in HIV housing needs assessments and planning discussions.

HOPWA Strategies:

Coordinate with the Ryan White Care Act funded programs to provide technical assistance to sponsors in methods of outreach and marketing, including outreach to the hard-to-serve or underserved populations (e.g., migrant farmworkers, post-incarcerated persons, and women).

HOPWA Objective:

Increase the number of transitional and permanent housing units available to PLWH.

HOPWA Strategies:

- a. Through the HIV Housing Program Request for Applications, make available funds to eligible counties for the purpose of developing long term housing plans, identifying projects, and obtaining resources to develop housing units.
- b. Continue to organize a working group to develop strategies for funding the capital development and operational costs of licensed and unlicensed community residences for PLWH, particularly persons with AIDS dementia and multiple diagnoses (e.g., substance abuse and mental illness). This includes collaboration with other funding agencies such as the Departments of Mental Health and Alcohol and Drug, HCD and other funding and technical assistance resources.
- c. Continue to partially fund the operating costs of existing transitional and permanent licensed and unlicensed community residences.

HOPWA Objective:

Increase the linkages with supportive services agencies and funders.

HOPWA Strategies:

- a. Coordinate with the Ryan White Care Act funded programs to provide technical assistance to sponsors and case managers regarding 100 percent compliance with the HAB Ryan White Care Act Housing Policy that includes transition of supportive services activities from HOPWA to Ryan White Care Act funds and housing activities to HOPWA.
- b. Work closely with the Ryan White Care Act program to ensure continued client access to care and treatment services.
- c. Monitor at least 20 percent of the HOPWA sponsors to ensure compliance with supportive service requirements.

HOPWA Objective:

Increase the number of PLWH transitioning to permanent housing.

HOPWA Strategies:

- a. Work closely with sponsors and case managers to ensure an understanding of client long-term housing plans.
- b. Establish a tracking system to document the number of clients that have transitioned to permanent housing.

Priorities/Objectives

The main national HOPWA performance goal is to identify that affordable housing has been made available for low-income households living with HIV/AIDS through the use of HOPWA or other Federal, state, local and private funds. The following are proposed accomplishments that will be used as a baseline measurement for success in achieving this goal.

Rental Assistance: At least one percent of the formula HOPWA funds will be used for tenant-based rental and lease activities. No less than 4 units will be made available through this activity.

Short Term Rent or Emergency Housing Payments: It is our goal to maintain the number of persons served from the previous year. It is anticipated that approximately 55 percent of the formula allocation will be used towards short-term rent, emergency rent, mortgage assistance and utility payments. Although, it is not a requirement to leverage funds, the Ryan White Care Act funds are also available on an emergency basis for housing assistance. These funds are accessed as payer of last resort.

Units in Facilities Supported with Operating Costs: It is the goal to continue providing HOPWA funds to support approximately nine HIV/AIDS housing facilities (that include group homes and individual apartments). The Residential AIDS Licensed Facilities (RALF) Program, a state-funded operating subsidy program, is available to pay operating costs for licensed residential care facilities. Shelter Plus Care, private donations and fundraising, Ryan White Care Act Funds, HUD 811 subsidy are other resources that may be utilized to pay operating costs as well.

Units in Facilities Developed with Capital Cost that Opened and Served Clients: No new housing units are expected to be completed and opened during program year 2004-2005.

Units in Facilities Developed with Capital Cost that Opened and Served Clients and Not Yet Opened: No new housing units are expected to begin development during the PY 2004-2005.

Increase Housing Opportunities

A significant barrier for many of the non-EMSA counties is the lack of housing development resources and capacity. The OA will continue its efforts to promote housing development through the provision of technical assistance, training tools, and resource information. Additionally, funds will be provided for staffing, contracts with AIDS Housing of Washington for HIV housing needs assessments and training, and other capacity-building activities that will allow these counties to position themselves to successfully apply for and receive affordable housing funds. The goal is that counties receiving funding will have identified the housing gaps and identified specific housing activities and resources needed to increase the housing for PLWAs by the end of the program year.

Changes in the Year

In past years, the OA has set aside and pooled together 10% of the formula allocation of those counties with 100+ reported AIDS cases. These funds have been allocated annually on a competitive basis, and any unexpended funds have been carried over for allocation through a new competitive application process. Although these funds were offered on an “over-the-counter” basis in 2002-2003 to encourage applicants, the program was undersubscribed. Rather than issuing a competitive request for applications, these “roll-over” funds will be allocated on a non-competitive basis to existing fiscal agents/sponsors located in those eligible counties for use in planning and housing development activities.

Monitoring Activities

It is anticipated that approximately 20 percent of the HOPWA sponsors/contractors will be monitored through site visits. Continuous monitoring and technical assistance will also be provided through telephone communication, quarterly reports, manual updates and management memoranda.

AIDS Housing Washington (AHW) will assist selected counties in developing long-term housing plans. AHW will also provide technical assistance in an effort to build housing development capacity within those counties and ultimately create new housing units. The OA will work closely with those counties and AHW during this process.

Coordination Efforts

DHS' OA is the State's clearinghouse agency for statewide programs and activities that pertain to HIV/AIDS. The OA emphasizes the integration of representatives of HIV/AIDS service agencies, other State departments (such as Corrections, Housing, Rehabilitation, Mental Health, Developmental Services and Alcohol and Drug Programs), local health departments, University-wide AIDS Research Program (University of California San Francisco), and others in information gathering, research and decision making processes. The annual Interagency AIDS Coordinating Council includes numerous State departments in the review of AIDS service delivery and prevention/education efforts. This Council will be involved in providing input this year regarding the plan currently being developed by the OA – the California HIV Services Plan. This plan emphasizes the need for community based organizations in the delivery of comprehensive care and treatment to persons living with HIV/AIDS.

Additionally, the OA requires that local planning groups be formed to include representatives of HIV/AIDS service agencies, health department representatives, local affordable housing and homeless agencies, representatives of the post incarcerated populations, and agencies that address the needs of the mentally ill, substance abusing or other disabled population. These planning groups are charged with development of local HIV service plans that address the need for linking care and treatment service agencies with other agencies and clinics providing services to the same population.

Furthering Fair Housing

The DHS' OA, in administering the HOPWA Program, facilitates adherence to federal fair housing requirements. Technical assistance, through the provision of training and written manuals, is provided to community-based organizations and county health departments that administer the HOPWA funds locally. Additionally, the Office of AIDS monitors for compliance with fair housing requirements.

The HOPWA Program and other HIV/AIDS-specific medical and supportive service programs, were initially an outgrowth of rampant discrimination against people with HIV/AIDS, and are viewed as programs that help to remove the impediment of discrimination. A person's rights under federal fair housing laws are provided locally through the HOPWA Program under the Housing Information category, which includes housing counseling and referral services, as well as fair housing counseling for eligible persons who may encounter discrimination.

**Department of Health Services
Lead Based Paint Program
2004/2005 Annual Plan**

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Availability of Funds/Eligible Applicants

The Lead-Based Paint Hazard Control Grant Program assists States, Native American Tribes and local governments in undertaking programs for the identification and control of lead-based paint hazards in eligible privately-owned rental and owner-occupied housing units. The Department of Housing and Urban Development (HUD) publishes a Super NOFA annually. Amount of funds available for distribution varies from year to year. Funds are available to States, Native American Tribes or local governments. States or Tribal applicants must have a Lead-Based Paint Contractor Certification and Accreditation Program authorized by the Environmental Protection Agency (EPA). California has an approved Lead-Based Paint Contractor Certification and Accreditation Program administered by the Department of Health Services (DHS).

Matching Funds Requirement

A matching contribution of at least 10 percent of the requested grant sum is required. This may be in the form of cash, including private sector funding, or in-kind (non-cash) contributions or a combination of these sources. With the exception of CDBG funds, Federal Revenue Sharing programs, or other programs which by statute allow their funds to be considered local funds and therefore eligible to be used as matching funds, Federal funds may not be used to satisfy the statutorily required 10 percent matching requirement. Federal funds may be used, however, for contributions above the statutory requirement.

The Department of Community Services and Development (CSD) Lead Hazard Control Program leverages both non-federal and federal funds from private property owners, U.S. Department of Energy Weatherization Assistance Program, Low-Income Home Energy Assistance Program weatherization component, and state funds as available through California Low-Income Home Energy Assistance Program. CSD anticipates leveraging in-kind contributions from DHS by utilizing DHS staff resources to conduct grant activities.

Eligible Activities

HUD is interested in promoting lead hazard control approaches that result in the reduction of this health threat for the maximum number of low-income families with children under six years of age, for the longest period of time, and that demonstrate techniques which are cost-effective, efficient, and replicable elsewhere. Activities must be conducted in compliance with HUD's Lead-Safe Housing Regulation, 24 CFR Part 35, and with any applicable requirements of a Training and Certification Program that has been authorized by the EPA under the requirements of 40 CFR 745.320.

1. Direct Project Elements that maybe undertaken directly or through sub-recipients, include:

- a. Performing dust testing, inspections, and risk assessments of eligible housing units constructed prior to 1978 to determine the presence of lead-based paint and/or lead hazards from paint, dust, or soil through the use of acceptable testing procedures.
- b. Conducting required pre-hazard control blood lead testing of children under the age of six years of age residing in units undergoing lead paint inspection/ risk assessment, or hazard control, unless reimbursable from Medicaid or another source.
- c. Conducting lead hazard control activities that may include any combination of the following:
 - 1) Interim control of lead-based paint hazards in housing (that must include specialized cleaning techniques to address lead dust);
 - 2) Abatement. The complete abatement of all lead-based paint hazards or lead-contaminated soil in a unit or structure is acceptable. Abatement of lead-contaminated soil should be limited to areas with bare soil in the immediate vicinity of the structure, i.e. dripline or foundation of the unit being treated, and children's play areas. Abatement of all lead based paint is only acceptable in limited circumstances with prior HUD approval.
- d. Carrying out relocation of families and individuals during the period in which hazard control is conducted and until the time the affected unit receives clearance for reoccupancy.

- e. Performing blood lead testing and air sampling to protect the health of the hazard control workers, supervisors, and contractors.
- f. Undertaking minimal housing rehabilitation activities that are specifically required to carry out effective hazard control, and without which the hazard control could not be completed and maintained.
- g. Conducting clearance dust-wipe testing and laboratory analysis (laboratory must be recognized by the National Lead Laboratory Accreditation Program (NLLAP) as being capable of performing lead analyses of samples of paint, dust-wipes, and/or soil).
- h. Engineering and architectural activities that are required for, and in direct support of, lead hazard control.
- i. Providing resources to build capacity for lead-safe housing and lead hazard control, including free delivery of HUD-approved lead-safe work practices training courses for housing rehabilitation contractors, rehabilitation workers, homeowners, renters, painters, remodelers, maintenance staff, and others conducting renovation, rehabilitation, maintenance or other work in private housing; free delivery of lead sampling technician training, lead-based paint worker or contractor certification training; and subsidies for licensing or certification fees to low-income persons seeking credentials as lead-based paint workers or contractors or lead sampling technicians.
- j. Providing instruction, training, and material supplies for dust control activities to grassroots faith-based and other community-based organizations, parent organizations, homeowners, and renters in low-income private housing.
- k. Conducting planning, coordination, and training activities to comply with HUD's Lead-Safe Housing Regulation (24 CFR Part 35) that became effective on September 15, 2000. These activities should support the expansion of a workforce properly trained in lead-safe work practices which is available to conduct interim controls on HUD assisted housing covered by these regulations.
- l. Conducting general or targeted community awareness, education or outreach programs on lead hazard control and lead poisoning prevention designed to increase the ability of the program to deliver lead hazard control services including educating owners of rental properties, tenants, and others on the Residential Lead-Based Paint Hazard Reduction Act, Lead-Safe Housing Regulation, and applicable provisions of the Fair Housing Act, and offering educational materials in languages other than English, when needed, and providing training on lead-safe maintenance and renovation practices and management.
- m. Procuring liability insurance for lead-hazard control activities.
- n. Supporting data collection, analysis, and evaluation of grant program activities. This includes compiling and delivering such information and data as may be required by HUD. This activity is separate from administrative costs.
- o. Participating in applied research, studies, or developing information systems to enhance the delivery, analysis, or conduct of lead hazard control activities, or to facilitate targeting and consolidating resources to further childhood lead poisoning prevention efforts.
- p. Purchasing or leasing equipment having a per unit cost under \$5,000.
- q. Purchasing or leasing no more than two (2) X-ray fluorescence analyzers for use by the Lead-Based Paint Hazard Control Grant Program, if not already available.
- r. Preparing a final report at the conclusion of grant activities.

2. **Support Elements**

- a. Administrative costs. There is a 10% maximum for administrative costs.
- b. Program planning and management costs of sub-grantees and other sub-recipients.

Lead Hazard Control Programs

California has three State agencies responsible for implementing lead hazard control efforts in California as follows:

CSD's Lead Hazard Control Program - On October 31, 2003, CSD successfully completed its Round VII Lead Hazard Control Program grant. CSD partnered with six non-profit community based organizations in eleven targeted counties to implement CSD's Lead Hazard Control Program. Units that were pre-1960 and occupied by a children under the age of six were targeted. Units that were occupied by a child with elevated blood levels were also eligible. The program expanded its services to include units that were purchased, leased and or improved using CDBG, HOME and/or ESG funding. A total of 431 units were made lead-safe. CSD provided lead awareness training (including 24 CFR Part 35) to local housing officials in four of the eleven counties.

HCD - will allocate federal administrative funding toward lead hazard control activities.

DHS - receives \$250,000 to \$400,000 annually from EPA to implement effective compliance and enforcement of the Lead-Related Construction Program. DHS also develops and distributes outreach and educational materials with this funding, receiving \$600,000 (fee-supported General Fund) for program implementation.

Five Year Lead Hazard Control Strategy

1. CSD will implement the HUD-Funded VII Grant by program as outlined above.

On October 31, 2003, CSD successfully completed Round VII grant. The grant efforts resulted in the transforming 431 units into lead-safe homes for current and future low-income residents. See above program description for further accomplishments.

2. CSD will apply for the Round IX and XI NOFAs for Lead Hazard Control in Low-and Moderate-Income Private Housing to continue and expand the existing Lead Hazard Control Program.

CSD was not awarded funds under Round IX. CSD will apply for funds under Round XI to continue administering the Program.

3. CSD will monitor the performance of its network of agencies that provide weatherization services to assure compliance with the lead-safe work practices as outlined in CSD's Policies and Procedures Manual.

- a. CSD modified its weatherization inspection practices to include an inspection component that addresses lead-safe work practices performed when weatherizing a home built prior to 1979.
- b. CSD requires that its weatherization network providers offer or provide HUD approved lead-safe work practices training to all weatherization employees.

4. CSD will partner with other state and local government entities to control lead hazards in California's housing.

CSD will see out opportunities to work in collaboration with DHS in leveraging personnel resources in grant activities.

5. CSD will specifically partner with HCD to assure the administration of HCD's federal loan and grant programs, CDBG, HOME and ESG, comply with 24 CFR Part 35 et al.

CSD will continue to partner with HCD when there are opportunities to provide lead awareness training and/or lead-related construction courses.

6. In awarding funds to rehabilitate housing, HCD and CHFA require the identification and mitigation of lead-based paint hazards.

CSD's Lead Hazard Control Program is not active in meeting this objective.

7. DHS will continue to implement Title 17 to govern accreditation and certification of the lead hazard control industry and lead hazard control work.

CSD's Lead Hazard Control Program is not active in meeting this objective.

2004/05 Program Objectives

1. Apply for Round IV funding to continue administering CSD's Lead Hazard Control Program.
2. Partner with DHS to develop a quality assurance program to ensure participating weatherization network providers' are in compliance with Title 17 Regulations, CSD's Lead Hazard Control Program Policies & Procedures, local building codes, CalOSHA Lead in Construction Standard Title 8, the Toxic substance Control Act; the pre-Renovation Lead Information Rule, and any other pertinent lead-related regulation.
3. Collaborate with DHS and local building and health departments in selected, target counties to develop referral system that identifies at-risk housing units for potential enrollment in CSD's Lead Hazard Control Program.
4. Develop a post-maintenance education model educating clients that receive lead hazard reduction services on the best cleaning practices to apply to maintain their home as lead-safe.

Coordination Efforts

CSD Lead Hazard Control Program operates in union with the federally-funded Low-Income Home Energy Assistance Program weatherization component, Department of Energy Weatherization Assistance Program, and where possible, California Low-Income Home Energy Assistance Program, and the Weatherization and Energy-Efficient Rehabilitation Program. Weatherization providers selected to participate in CSD's Lead Hazard Control Program combine the benefits of weatherization and minor home repair services with CSD's Lead Hazard Control Program.

See 2004/2005 Program Objectives for other coordination efforts.

24 CFR 91325 Certifications

General: In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the State certifies that:

Affirmatively Further Fair Housing – The State will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the State, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard.

Anti-displacement and Relocation Plan – It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24; and it has in effect and is following a residential anti-displacement and relocation assistance plan required under Section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME Programs.

Drug Free Workplace – It will or will continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition.
2. Establishing an ongoing drug-free awareness program to inform employees about:
 - a. the dangers of drug abuse in the workplace;
 - b. the grantee's policy of maintaining a drug-free workplace;
 - c. any available drug counseling, rehabilitation, and employee assistance programs; and
 - d. the penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.
3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1.
4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will:
 - a. Abide by the terms of the statement; and
 - b. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction.
5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant.
6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 4(b), with respect to any employee who is so convicted:
 - a. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - b. Requiring such employee to participate satisfactorily in a drug abuse Assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency.

7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.

Anti-Lobbying – To the best of the State’s knowledge and belief:

- a. No federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement;
- b. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions; and
- c. It will require that the language of paragraphs 1 and 2 of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

Authority of State – The submission of the Consolidated Plan is authorized under State law and the State possesses the legal authority to carry out the programs under the Consolidated Plan for which it is seeking funding, in accordance with applicable HUD regulations.

Consistency with Plan – The housing activities to be undertaken with CDBG, HOME, ESG, and HOPWA funds are consistent with the strategic plan.

Section 3 – The State will comply with section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR Part 135.

Matthew O. Franklin, Director

Date

Specific CDBG Certifications

The State certifies that:

Citizen Participation – It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR §91.115 and each unit of general local government that receives assistance from the State is or will be following a detailed citizen participation plan that satisfies the requirements of 24 CFR §570.486.

Consultation with Local Governments – It has or will comply with the following:

1. It has consulted with affected units of local government in the nonentitlement area of the State in determining the method of distribution of funding;
2. It engages in or will engage in planning for community development activities;
3. It provides or will provide technical assistance to units of local government in connection with community development programs; and
4. It will not refuse to distribute funds to any unit of general local government on the basis of the particular eligible activity selected by the unit of general local government to meet its community development needs, except that a State is not prevented from establishing priorities in distributing funding on the basis of the activities selected.

Local Needs Identification – It will require each unit of general local government to be funded to identify its community development and housing needs, including the needs of low-income and moderate-income families, and the activities to be undertaken to meet these needs.

Community Development Plan – The Consolidated Housing and Community Development Plan identifies community development and housing needs and specifies both short- and long-term community development objectives that have been developed in accordance with the primary objectives of Title I of the Housing and Community Development Act of 1974, as amended (see 24 CFR §570.2 and 24 CFR §570).

Use of Funds – It has complied with the following criteria:

- Maximum Feasible Priority. With respect to activities expected to be assisted with CDBG funds, it certifies that it has developed its Action Plan so as to give maximum feasible priority to activities that benefit low- and moderate-income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities that the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available.
- Overall Benefit. The aggregate use of CDBG funds including Section 108 guaranteed loans during program year(s) 2003-2004, shall principally benefit persons of low- and moderate-income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period.
- Special Assessments. The State will require units of general local government that receive CDBG funds to certify to the following:

It will not attempt to recover any capital costs of public improvements assisted with CDBG funds including Section 108 loan guaranteed funds by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

It will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108, unless CDBG funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. Also, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

Excessive Force – It will require units of general local government that receive CDBG funds to certify that they have adopted and are enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction.

Compliance With Anti-discrimination Laws – The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 USC 2000d), the Fair Housing Act (42 USC 3601-3619), and implementing regulations.

Lead-Based Paint – Its notification, inspection, testing and abatement procedures concerning lead-based paint will comply with the requirements of 24 CFR §570.608;

Compliance with Laws – It will comply with applicable laws.

Matthew O. Franklin, Director

Date

Specific HOME Certifications

The State certifies that:

Tenant Based Rental Assistance – If the participating jurisdiction intends to provide tenant based rental assistance:

The use of HOME funds for tenant based rental assistance is an essential element of the participating jurisdictions consolidated plan for expanding the supply, affordability, and availability of decent, safe, and affordable housing.

Eligible Activities and Costs – It is using and will use HOME funds for eligible activities and costs, as described in 24 CFR §92.205 through §92.209 and that it is not using and will not use HOME funds for prohibited activities, as described in §92.214.

Appropriate Financial Assistance – Before committing any funds to a project, the State or its recipients will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing.

Consolidated Plan – It is following a current HUD-approved Consolidated Plan or CHAS.

Matthew O. Franklin, Director

Date

ESG Certifications

I, Matthew O. Franklin, Director, authorized to act on behalf of the State of California, certify the State will ensure compliance by units of general local government and nonprofit organizations to which it distributes funds under the Emergency Shelter Grants Program with:

- (1) The requirements of 24 *CFR* 576.25(b)(2) concerning the submission by nonprofit organizations applying for funding of a certification of approval of the proposed project(s) from the unit of local government in which the proposed project is located.
- (2) The requirements of 24 *CFR* 576.53 concerning the continued use of buildings for which Emergency Shelter Grant funds are used for rehabilitation or conversion of buildings for use as emergency shelters for the homeless; or when funds are used solely for operating costs or essential services, concerning the population to be served.
- (3) The building standards requirement of 24 *CFR* 576.55.
- (4) The requirements of 24 *CFR* 576.56, concerning assurances on services and other assistance to the homeless.
- (5) The requirements of 24 *CFR* 576.57, other appropriate provisions of 24 *CFR* Part 576, and other applicable Federal law concerning nondiscrimination and equal opportunity.
- (6) The requirements of 24 *CFR* 576.59(b) concerning the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.
- (7) The requirements of 24 *CFR* 576.59 concerning minimizing the displacement of persons as a result of a project assisted with these funds.
- (8) The requirements of 24 *CFR* 576.56(a) and 576.65(b) that grantees develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the Emergency Shelter Grants Program and that the address or location of any family violence shelter project assisted with ESG funds will not be made public, except with written authorization of the person or persons responsible for the operation of the shelter.
- (9) The requirement of that recipients involve, to the maximum extent practicable, homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under the ESG program, and in providing services for occupants of these facilities as provided by 24 *CFR* 576.56(b)(2).
- (10) The requirements of 24 *CFR* 576.21(a)(4) which provide that the funding of homeless prevention activities for families that have received eviction notices or notices of termination of utility services meet the following standards: (A) that the inability of the family to make the required payments must be the result of a sudden reduction in income; (B) that the assistance must be necessary to avoid eviction of the family or termination of the services to the family; (C) that there must be a reasonable prospect that the family will be able to resume payments within a reasonable period of time; and (D) that the assistance must not supplant funding for preexisting homeless prevention activities from any other source.

- (11) The new requirement of the McKinney-Vento Act, 42 U.S.C. 11301, to develop and implement, to the maximum extent practicable and where appropriate, policies and protocols for the discharge of persons from publicly funded institutions or systems of care (such as health care facilities, foster care or other youth facilities, or correction programs and institutions) in order to prevent such discharge from immediately resulting in homelessness for such persons. I further understand that State and local governments are primarily responsible for the care of these individuals, and that ESG funds are not to be used to assist such persons in place of State and local resources.
- (12) The Drug Free Workplace requirements of 24 *CFR* Part 24 concerning the Drug Free Workplace Act of 1988.
- (13) The State will comply with the provisions of, and regulations and procedures applicable under 24 *CFR* 576.57(e) with respect to the environmental review responsibilities under the National Environmental Policy Act of 1969 and related authorities as specified in 24 *CFR* Part 58 as applicable to activities of nonprofit organizations funded directly by the State. The State also agrees to assume the Department's responsibility and authority as set forth in 24 *CFR* 576.57(e) for acting on the environmental certifications and requests for the release of funds submitted to the State by local government recipients.
- (14) The State's requirement to provide matching funds required by 24 *CFR* 576.51 and 42 U.S.C. 11375, including a description of the sources and amounts of such supplemental funds, as provided by the State, units of general local government or nonprofit organizations.
- (15) HUD's standards for participation in a local Homeless Management Information System (HMIS) and the collection and reporting of client-level information.

I further certify that the submission of a complete and approved Consolidated Plan with its relevant certifications, which is treated as the application for an Emergency Shelter Grant, is authorized under State law, and that the State possesses legal authority to fund the carrying out of grant activities by units of general local government and nonprofit organizations in accordance with applicable laws and regulations of the Department of Housing and Urban Development.

Matthew O. Franklin, Director

Date

HOPWA Certifications

The State HOPWA grantee certifies that:

Activities – Activities funded under the program will meet urgent needs that are not being met by available public and private sources.

Building – Any building or structure assisted under the program shall be operated for the purpose specified in the plan:

1. For at least 10 years in the case of any building or structure purchased, leased, rehabilitated, renovated, or converted with HOPWA assistance.
2. For at least 3 years in the case of assistance involving non-substantial rehabilitation or repair of a building or structure.

Matthew O. Franklin, Director

Date

Appendix to Certifications

INSTRUCTIONS CONCERNING LOBBYING AND DRUG-FREE WORKPLACE REQUIREMENTS:

◆ Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

◆ Drug-Free Workplace Certification

- By signing and/or submitting this application or grant agreement, the grantee is providing the certification.
- The certification is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, HUD, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.
- For grantees other than individuals, Alternate I applies (this is the information to which jurisdictions certify).
- For grantees that are individuals, Alternate II applies (not applicable jurisdictions).
- Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.
- Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio stations).
- If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph five).
- The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code):

Check ____ if there is workplaces on file that are not identified here; the certification with regard to the drug-free workplace required by 24 CFR part 24, subpart F.

- Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

“Controlled substance” means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C.812) and as further defined by regulation (21 CFR 1308.11 through 1308.15).

“Conviction” means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State Criminal drug statutes.

“Criminal drug statute” means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance.

“Employee” means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) All “direct charge” employees; (ii) all “indirect charge” employees unless their impact or involvement is insignificant to the performance of the grant; and (iii) temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee’s payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee’s payroll; or employees of subrecipients or subcontractors in covered workplaces).

Geographic Distribution By Program

CDBG

| COUNTY | INELIGIBLE | COUNTY | INELIGIBLE |
|---|------------|--|------------|
| Alpine County | | Los Angeles County Hidden Hills Industry Palos Verdes Estates Vernon | |
| Amador County Amador City Ione Jackson Plymouth Sutter Creek | | Madera County Chowchilla | |
| Butte County Biggs Gridley Oroville | | Mariposa County | |
| Calaveras County Angels Camp | | Mendocino County Fort Bragg Point Arena Ukiah Willits | |
| Colusa County Colusa Williams | | Merced County Atwater Dos Palos Gustine Livingston Los Banos | |
| Contra Costa County | | Modoc County Alturas | |
| Del Norte County Crescent City | | Mono County Mammoth Lakes | |
| El Dorado County Placerville South Lake Tahoe | | Monterey County Carmel Del Rey Oaks Gonzales Greenfield King City Marina Pacific Grove Sand City Soledad | |
| Fresno County Firebaugh Fowler Huron Orange Cove San Joaquin | | Napa County American Canyon Calistoga St. Helena | |
| Glen County Orland Willows | | Orange County Aliso Viejo San Clemente San Juan Capistrano | |
| Humboldt County Arcata Blue Lake Eureka Ferndale Fortuna Rio Dell Trinidad | | Placer County Auburn Colfax Lincoln Loomis Rocklin | |
| Imperial County Brawley Calexico Calipatria El Centro Holtville Imperial Westmorland | | Plumas County Portola | |
| Inyo County Bishop | | Riverside County Rancho Mirage Calimesa Coachella Indian Wells | |
| Kern County Delano Taft Wasco | | San Benito County Hollister San Juan Bautista | |
| Kings County Avenal Corcoran Lemoore | | San Luis Obispo County Pismo Beach Morro Bay | |
| Lake County Clearlake Lakeport | | Santa Barbara County Buellton Carpinteria Guadalupe Solvang | |
| Lassen County Susanville | | Santa Cruz County Capitola Scotts Valley | |

Geographic Distribution By Program

CDBG *(cont'd)*

| COUNTY | INELIGIBLE | COUNTY | INELIGIBLE |
|---|------------|---|------------|
| Shasta County Anderson Shasta Lake | | Tehama County Corning Red Bluff Tehama | |
| Sierra County Loyalton | | Trinity County | |
| Siskiyou County Dorris Dunsmuir Etna Fort Jones Montague Mount Shasta Tulelake Weed Yreka | | Tulare County Dinuba Exeter Farmersville Lindsay Woodlake | |
| Solano County Benicia Dixon Rio Vista Suisun City | | Tuolumne County Sonora | |
| Stanislaus County Ceres Hughson Newman Riverbank Waterford | | Yolo County West Sacramento Winters | |
| Sutter County Live Oak | | Yuba County Wheatland | |

Geographic Distribution By Program

ESG

| COUNTY | INELIGIBLE | COUNTY | INELIGIBLE |
|---------------------|-----------------|------------------------|------------|
| Alameda County | County | San Bernardino County | County |
| Contra Costa County | County | San Diego County | County |
| Fresno County | County | San Luis Obispo County | County |
| Kern County | County | San Mateo County | County |
| Los Angeles County | County | Santa Clara County | County |
| Monterey County | City of Salinas | Sonoma County | County |
| Orange County | County | Stanislaus County | County |
| Riverside County | County | Ventura County | County |
| Sacramento County | County | | |

Geographic Distribution By Program

HOME

| COUNTY | INELIGIBLE | COUNTY | INELIGIBLE |
|--|------------|--|------------|
| Contra Costa County | County | San Bernardino County Chino Hesperia Upland | County |
| Fresno County Mendota | County | San Luis Obispo County | County |
| Kern County | County | Santa Barbara County | County |
| Kings County Hanford | | Santa Clara County Gilroy Cupertino City Milpitas Palo Alto | County |
| Los Angeles County Carson Gardena Glendora Lakewood Lancaster Palmdale Pico Rivera Redondo Beach Santa Clarita Torrance West Covina Yorba Linda | County | Santa Cruz County Watsonville | |
| Madera County Madera City | | Solano County Fairfield Vacaville | |
| Monterey County Monterey City | | Sonoma County Petaluma | County |
| Napa County Napa City | | Stanislaus County | County |
| Orange County Aliso Viejo Buena Park Fountain Valley Irvine La Habra Laguna Niguel Lake Forest Mission Viejo Newport Beach Tustin | County | Sutter County Yuba City | |
| Placer County Roseville | | Tulare County Porterville Tulare | |
| Riverside County Corona Hemet Palm Desert Palm Springs | County | Ventura County Camarillo Simi Valley Thousand Oaks Ventura | |
| Sacramento County Rancho Cordova | County | Yolo County Woodland | |
| | | Yuba County Marysville | |

Geographic Distribution By Program

HOPWA

(NOT DONE)

| COUNTY | INELIGIBLE | COUNTY | INELIGIBLE |
|---|------------|--|------------|
| Alpine County | | Los Angeles County Hidden Hills Industry Palos Verdes Estates Vernon | |
| Amador County Amador City Ione Jackson Plymouth Sutter Creek | | Madera County Chowchilla | |
| Butte County Biggs Gridley Oroville | | Mariposa County | |
| Calaveras County Angels Camp | | Mendocino County Fort Bragg Point Arena Ukiah Willits | |
| Colusa County Colusa Williams | | Merced County Atwater Dos Palos Gustine Livingston Los Banos | |
| Contra Costa County | | Modoc County Alturas | |
| Del Norte County Crescent City | | Mono County Mammoth Lakes | |
| El Dorado County Placerville South Lake Tahoe | | Monterey County Carmel Del Rey Oaks Gonzales Greenfield King City Marina Pacific Grove Sand City Soledad | |
| Fresno County Firebaugh Fowler Huron Orange Cove San Joaquin | | Napa County American Canyon Calistoga St. Helena | |
| Glen County Orland Willows | | Orange County Aliso Viejo San Clemente San Juan Capistrano | |
| Humboldt County Arcata Blue Lake Eureka Ferndale Fortuna Rio Dell Trinidad | | Placer County Auburn Colfax Lincoln Loomis Rocklin | |
| Imperial County Brawley Calexico Calipatria El Centro Holtville Imperial Westmorland | | Plumas County Portola | |
| Inyo County Bishop | | Riverside County Rancho Mirage Calimesa Coachella Indian Wells | |
| Kern County Delano Taft Wasco | | San Benito County Hollister San Juan Bautista | |
| Kings County Avenal Corcoran Lemoore | | San Luis Obispo County Pismo Beach Morro Bay | |
| Lake County Clearlake Lakeport | | Santa Barbara County Buellton Carpinteria Guadalupe Solvang | |
| Lassen County Susanville | | Santa Cruz County Capitola Scotts Valley | |
| | | | |

Geographic Distribution By Program



CDBG *(cont'd)*



| CDBG <i>(cont'd)</i> | | | |
|---|------------|---|------------|
| COUNTY | INELIGIBLE | COUNTY | INELIGIBLE |
| Shasta County Anderson Shasta Lake | | Tehama County Corning Red Bluff Tehama | |
| Sierra County Loyalton | | Trinity County | |
| Siskiyou County Dorris Dunsmuir Etna Fort Jones Montague Mount Shasta Tulelake Weed Yreka | | Tulare County Dinuba Exeter Farmersville Lindsay Woodlake | |
| Solano County Benicia Dixon Rio Vista Suisun City | | Tuolumne County Sonora | |
| Stanislaus County Ceres Hughson Newman Riverbank Waterford | | Yolo County West Sacramento Winters | |
| Sutter County Live Oak | | Yuba County Wheatland | |




Glossary

Definitions

Income Groups: The Consolidated Plan includes coverage of the following income groups.

 Extremely low
 Low-income

 Other very low
 Federal-moderate

 Very low
 Federal above moderate
 Other low

The final HUD rule governing preparation of Consolidated Plans changed the income group terminology from that which was used in the CHAS. This Consolidated Plan retains the CHAS terminology (except for using Extremely Low Income as the lowest income category). This retains consistency between the Consolidated Plan, the CHAS for 1994 to 1998, and State planning documents including the California Statewide Housing Plan.

The Table below shows the equivalent terms in the Consolidated Plan (including this Annual Plan), the CHAS, the Consolidated Plan Rule, the National Affordable Housing Act (NAHA), and California law.

Terms

| | |
|----------------|--|
| Cal-HFA | California Housing Finance Agency |
| CFCC | California Financing Coordinating Committee |
| DCA | Division of Community Affairs |
| DMH | Department of Mental Health |
| FFY | Federal Fiscal Year |
| HCD | Department of Housing and Community Development |
| HR | Housing Rehabilitation |
| HUD | Housing and Urban Development |
| HOPWA | Housing Opportunities for Persons With AIDS |
| JTPA | Job Training Partnership Act |
| LIHEAP | Low-Income Home Energy Assistance Program |
| NOFA | Notice of Funding Availability |
| OTC | Over-the-Counter – The term used for funds for which applications are accepted by HCD on a continuous basis for the period during which the funds are available (in contrast to a shorter time-limited application period) |
| PATH | Partnership for Advanced Technology in Housing |
| PHH | Permanent Housing for the Handicapped Homeless |
| PLWH | Persons Living with HIV/AIDS |
| RALF | Residential AIDS Licensed Facilities |
| SRF | State Revolving Fund |
| SWRCB | State Water Resources Control Board |
| TANF | Temporary Assistance to Needy Families |
| TCAC | Tax Credit Allocation Committee |
| TIG | Target Income Group |
| WAP | Weatherization Assistance Program |
| WIA | Workforce Investment Act |
| WOTC | Work Opportunity Training Tax Credit |

Public Comments

This is a draft of the 2004/2005 Annual Plan, distributed for citizen input prior to finalization. The final version will have program responses to input received in this section.

Funding Calendar

Will be included in the final report.